

**CALHOUN COUNTY
BOARD OF COMMISSIONERS
POLICY STATEMENT**

SUBJECT: BUDGET	DATE APPROVED: 10/14/03	EFFECTIVE: 10/24/03	POLICY NO. 275
		REPLACES: 275 OF 11/21/02	

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PURPOSE: The purpose of this policy is to ensure that the County prepares, presents and administers an annual budget as defined in M.C.L. 141.421 et. seq. The budget is a resource allocation document that defines the County’s financial resources and claims against those resources. This policy shall give Elected Officials/Department Heads an understanding of the budgeting process and the Board of Commissioner’s annually approve document.

AUTHORITY: The Calhoun County Board of Commissioners.

RESPONSIBILITY: The Office of the Administrator shall be responsible for the implementation and administration of this policy.

POLICY: The Office of the Administrator - Finance Department shall distribute the annual budget preparation documents to all Elected Officials/Department Heads for those business units under their control. The documents will be distributed in a timely manner in order to ensure that each Elected Official/Department Head has adequate time to prepare a detailed budget. The Board of Commissioners adopts the annual budget by December 31st of the previous year.

The preparation documents shall include:

- A budget calendar.
- A projected cost, by business unit, for each person’s salary and fringe benefits.
- A projected cost of copies, telephone, postage, and technology costs, by business unit.
- A detailed listing of capital outlay/fixed asset purchase requests with the appropriateness and cost qualified by the Administrative Services Director.

The Office of the Administrator must recommend all capital outlay/fixed asset purchases to the Board of Commissioners. The Board of Commissioners must approve all capital outlay/fixed asset purchases. A capital outlay/fixed asset is defined in the Calhoun County Board of Commissioner’s Policy #405.

All requests for additional employees or operating appropriations must be made during the annual budget process. The request should include a detailed rationale for the request. Requests for additional personnel or operating appropriations outside of the annual budget process will not be granted unless there are significant extenuating circumstances. These circumstances must be presented, in writing, to the Office of the Administrator for review.

The County shall adopt an annual balanced budget for the General Fund, Special Revenue Funds, Debt Service Funds, Enterprise Funds, and Internal Service Funds. Each fund's total anticipated revenues plus, if necessary, a portion of their fund balance must equal the estimated expenditures/expenses of that fund.

The County Controller/Administrator shall report the state of the budget to the Board of Commissioners on a quarterly basis. The Board of Commissioners shall approve all budget adjustments in excess of \$20,000 per business unit. The County Controller/Administrator shall approve all budget adjustments of \$20,000 or less per business unit.

The County Controller/Administrator shall report any budget adjustment over \$10,000 to the Board of Commissioners by the next regularly scheduled Board of Commissioners meeting after the adjustment occurred.

It is the responsibility of each Elected Official/Department Head to review the monthly Budget Variance Reports and to alert the County Controller/Administrator and Director of Finance immediately of any significant annual revenue shortfalls or when annual expenditures are expected to exceed budget. (The Budget Variance Reports are mailed to Elected Officials/Department Heads the second week of each month.)

The County's optimum unreserved General Fund balance should represent 8% - 12% of the annual General Fund operating expenditures of the previous fiscal year. The unreserved General Fund balance will be used to pay expenditures caused by unplanned emergencies or to eliminate deficits in other funds.

In the event that the unreserved General Fund balance exceeds 12% of the prior year expenditures, then a Budget Stabilization Fund should be initiated with a transfer of funds.

In the event that the unreserved General Fund balance is less than 8% of the prior year expenditures, the Board of Commissioners shall take appropriate action to ensure that the County's fund balance returns to the optimum 8% - 12%.