

Budgeting Policy 2020-01

Purpose

The purpose of this Budgeting Policy is to:

- Provide guidance to management and the Village Board in regards to the entire budgeting process
- Establish an order of precedence and completion
- Establish monitoring procedures throughout the year
- Provide guidance for amendments and overages

General Budget Policies

1. Budget Preparation – Department Heads are responsible for proposing budgets consistent with priority direction from the Village President and the Village Board. The Finance Director is responsible for coordinating the overall preparation and administration of the Village’s operating budget. Once approved, Department Heads are responsible for the management and monitoring of their own specific departmental budget. The Finance Department assists department staff in identifying budget problems, formulating solutions and alternatives, and implementing any necessary corrective actions.
2. The Budget Process shall include at a minimum the following steps:
 - a. The Village Board provides broad legacy and strategic commitments as guidance to staff for development of the preliminary budget. This would include parameters on tax levy and/or expenditure increases (i.e. follow inflation or net new construction).
 - b. A preliminary budget worksheet for each department, including Water Utility and Sewer Utility, is prepared and presented to the Finance Director from each assigned Department Head.
 - c. Finance Director compiles the budget worksheets and presents a Preliminary Budget to the Village Board with a minimum of 45 days allowed for board deliberation and public comment.
 - d. The Village Operating budget for the next fiscal year shall be approved by the Village Board as the Adopted Budget at the November Village Board meeting, but no later than the second Monday in December of each year.

The following timeline is recommended as a template for preparation of the budget document:



- Board sets Goals and Objectives
- Dept. Heads submit Budget worksheets
- Finance Director submits preliminary budget
- Board deliberation and budget approval

3. Examination of Existing Base Budget – During the annual budget development process, departments will thoroughly examine their existing base budget to remove one-time appropriations and to reduce or eliminate services that are no longer priorities.
4. Balanced Budget – The Village adopts a statutorily balanced budget, which requires total estimated resources (beginning reserves plus revenues) equal the total appropriation (expenditures plus ending reserves). This requirement of a balanced budget applies to each individual fund and to the entire aggregate budget presented.
5. Reserves – The use of reserves as a balancing resource within the proposed budget shall be clearly and specifically identified. Use of reserves is subject to the Fund Balance Policy standards and limits.

Revenue Guidelines

The Village must balance present and anticipated future needs for services and the Village’s ability to raise fees, charges, and taxes to support those services.

1. Mix of Revenues – The Village shall strive to maintain a diversified mix of revenues in order to balance the sources of revenue amongst taxpayers and to provide ongoing stability and predictability.
2. One-time Revenues – The Village will not use revenues received that are considered to be available for only a limited period of time to fund on-going operational costs. When considering the use of new resources for funding on-going employment costs, staff will assure that the source of revenue is available for at least three years.

- 3. Grant Agreements – Prior to application and again prior to acceptance, grant agreements will be reviewed by the appropriate Village staff to ensure matching requirements are reasonable and attainable, and ensure compliance with regulatory requirements is possible.

Budget Updates and Amendments

- 1. Budget Updates – The Finance Director shall present a quarterly financial report reviewing the actual and forecasted financial statements to the Village Board. The Finance Director will also provide monthly reports to Department Heads. The Department Heads will have primary responsibility for ensuring that their Departments and/or Funds stay within their annual adopted budget. Department Heads shall alert the Finance Director for the need of a budget amendment prior to the next quarter or the end of the year if they foresee a budget shortfall.
- 2. Budget Amendment – This process adds or reduces existing appropriations, resulting in a net change to the balance of one or more individual funds. A budget amendment requires a 2/3 majority approval of the Village Board and requires either a class 1 notice of the changes within 15 days after any change is made or post a notice of the changes on the municipality's website within 15 days after any change is made.

Budgeting Policy #2020-01 will take effect immediately upon adoption by the Village Board for the Village of Cross Plains.

Dated this 26th day of May, 2020.

Village of Cross Plains:

Attest:

By: _____

By: _____

Jay Lengfeld
Village President

Bill Chang
Village Administrator/Clerk