

Policy Name: Budget Process
Section: 3000 Operational: 3300 Finance
Policy Number: 0001

Purpose: To define levels of budget preparation responsibility, and provide guidelines and procedures for expenditure control and budget amendments.

Reference: None applicable

Policy:

The budget process is designed to meet the operations and service needs of the Park District. The budget should be a performance, financing and spending plan agreed to by the Board, Executive Director, Finance Manager and Division Directors. It should contain information and data regarding expected revenue and expenditures.

The Park District will prepare an annual budget that will:

- Abide by state law
- Establish a plan that allocates resources of the District to achieve specific District goals and objectives and guides the District's activities.
- Facilitate the evaluation of District programs by providing the means to measurably examine the financial activity of the District divisions over time.
- Establish financial control by allocating revenue and expenses to various activities.
- Provide a tool to manage and monitor progress of various activities.

Basis of Accounting

The basis of accounting for budget presentation is on a cash basis of accounting with allowance for processing time at year-end

Fund Accounting

The District budgeting system uses a fund accounting consistent with guidance provided by the GASB and the Washington State Auditor's office. Funds may be added or deleted from time to time as approved by the Board. Current budgeted funds are:

- General Fund
- Capital Improvement Fund
- Bond Redemption Fund
- Land Acquisition Fund
- Deposit Fund

Budget Development

The Districts annual budget for all funds shall be prepared using the following process

1. Tax Levy amounts will be provided by Kitsap County Assessor.
2. District staff will develop a preliminary budget based on a schedule and instructions prepared by the Finance Manager and approved by the Executive Director.
3. The salary scale will be adjusted by the Executive Director and approved by the Board as part of the budget development process.
4. The Executive Director will present a proposed budget to the Board.
5. The Board will conduct public hearings on the proposed budget in conformance with state law.
6. The Board may recommend adjustments.

7. The Board will adopt the final budget.

Capital Improvement Budget

A comprehensive 6 year plan for capital improvements shall be prepared annually and adopted by the Board as part of the District budget.

- All projects included in the plan should be consistent with the District's Comprehensive plan.
- All proposed capital improvement projects should list a recommended or likely source of income.
- All capital projects should indicate the projects impact on the operating budget, i.e. long-term maintenance cost necessary to support the improvement.

Other Budgetary Items

Budgetary control is established at the fund level (i.e. expenditures for a fund may not exceed the fund's total appropriation amount). The board must approve by resolution any increase in total fund appropriations.

General fund budgets are typically monitored by Division and/or cost center.

General Fund District Divisions: Park Services, Administration and Recreation

Deviations within cost centers do not need board approval and may be approved by the budget manager (as determined by the Division Director) for that cost center.

Deviations within Divisions (between cost centers) do not need board approval but must be approved by the Division Director

Changes in appropriations between Divisions must be approved by the Executive Director and the Board.

Some funds have budgets monitored by project: In this case, variations from the appropriated amount for each project must be approved by the board. Changes in projects must be approved by the board.

Any unexpended appropriation balances lapse at the end of the budget period (this does not include donated funds).

Coding of expenses and revenues are the responsibility of department managers but may be adjusted by the Finance Manager to conform with the guidelines of the Washington State Auditors Office.

Budget Amendments

Budget amendments should be presented for consideration by the Board when the need arises.