

## **Section 4 - Budgeting**

### **Overview –**

Budgeting is one of the most important activities undertaken by governments. The budget is a plan of financial operation embodying an estimate of proposed expenditures for a given period and the proposed means of financing them. The budget serves as the primary tool in allocating financial resources to programs and services. This process should involve all stakeholders – elected officials, governmental administrators, employees, citizen groups, and business leaders – and reflect their overall needs and priorities. A budget process that is well-integrated with the other activities of the government and involves those stakeholders will lead to a more efficient and accepted government. Specifically, the budget can serve as a policy making tool, a management tool, a financial tool, and a communication tool. The end result should be a balanced budget that has been well planned and communicated among all stakeholders.

A brief description of the budget cycle is as follows:

- Input
  - a. Elected and appointed officials gather information from citizens, taxpayers and other sources about financial and non-financial priorities
  - b. Officials meet with staff and convey the goals, objectives, priorities and concerns that will guide the development of the budget.

- Preparation
  - a. Revenues are estimated to determine how much financial resources will be available to fund operations
  - b. Expenditure requests and forecasts are prepared by the departments
  - c. The chief administrator submits a proposed budget that reflects the community needs and desires to the local government governing body for review.
- Adoption
  - a. The governing body reviews the proposed budget
  - b. Proposed budget is approved by governing body
  - c. Changes are made according to the governing body's recommendations and public comments
  - d. The budget is adopted.
- Implementation
  - a. Revenues are collected and expenditures incurred in accordance with the budget
  - b. The budget may be modified or amended in accordance with procedures established by State law.
- Evaluation
  - a. Internal reports may be prepared as needed for financial data, as well as for performance measurement
  - b. Other evaluation is done through internal audits, performance audits and external audits.

## **Requirements -**

Section 166.241, Florida Statutes (Municipalities) and Sections 129.03 – 129.06, Florida Statutes (Counties) provide specific requirements for local governments to follow when adopting annual budgets. Some of those requirements are as follows:

- The local government's budget must be adopted by resolution or ordinance, unless otherwise specified in the local government's charter.
- The amount available from taxation and other sources, including amounts carried over from prior fiscal years, must equal the total appropriations for expenditures and reserves.
- The adopted budget may be amended at any time during the fiscal year or within sixty (60) days following the end of the fiscal year. If the amendment increases the total amount of expenditures by fund or department, the budget amendment must be adopted in the same manner as the original budget, unless otherwise specified in the local government's charter. Counties are required to follow specific advertising requirements (Section 129.06, Florida Statutes) with respect to the adoption of budget amendments.

Chapter 200, Florida Statutes and the Truth in Millage (TRIM) guidelines promulgated by the Florida Department of Revenue outline specific requirements that local governments must follow with respect to adopting property tax rates and budgets.

Some of the key requirements are as follows:

- Specific timetables with respect to the noticing of the local Property

Appraiser's office for the adoption of the ad valorem millage rate and budget;  
the scheduling of the Tentative and Final Millage Rate/Budget public hearings  
and the respective advertising of the public hearings.

- The preparation of specific forms which must be sent to the local Property Appraiser's and Tax Collector's offices and the Florida Department of Revenue.
- The placement of specific advertisements which are uniform throughout the state based on the local government's situation.

### **References –**

Section 129.03, Florida Statutes; Preparation and Adoption of Budget

Section 129.06, Florida Statutes; Execution and Amendment of Budget

Section 166.241, Florida Statutes; Fiscal Years, Appropriations, Budgets, and Budget Amendment

Chapter 200, Florida Statutes; Determination of Millage

Florida Department of Revenue TRIM Guidelines - [dor.myflorida.com/dor/](http://dor.myflorida.com/dor/)