



TOWN OF HOMER

POLICY

&

PROCEDURES

MANUAL

*Council Members: Linda Hardaway - District I • Johnny West - District II • Keldron Johntson - District III
• Brandon Rich - District IV • Patricia Jenkins - District V*

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TOWN OF HOMER
BUDGET

*Council Members: Linda Hardaway - District I • Johnny West - District II • Keldron Johnson - District III
• Brandon Rich - District IV • Patricia Jenkins - District V*

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TOWN OF HOMER

Dr. Xanthe Seals, Mayor

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TOWN OF HOMER

BUDGET

POLICY AND PROCEDURES

POLICY

The mayor has the overall responsibility for preparing, presenting, and administering the annual budget for the general fund and all special revenue funds in accordance with the Local Government Budget Act found in Louisiana Revised Statute (R.S.) 39:1301-1315.

Furthermore, for a Lawrason Act municipality, R.S. 33:404(A)(5) states that the mayor shall have the duty and power to prepare and submit an annual operations budget and a capital improvements budget for the municipality to the board of aldermen in accordance with the provisions of R.S. 39:1301 et seq. and any other supplementary laws or ordinances.

The board is responsible for adopting budgets and amending budgets on a timely basis. Certified copies of the adopted budget, budget adoption instrument, budget amendments, supporting schedules, and correspondence related to the budgets are to be retained at the mayor's office.

- A. The mayor is to prepare a comprehensive budget presenting a complete financial plan for each fiscal year for the general fund and each special revenue fund using the following guidelines:
- B. The budget must include a clearly presented side-by-side detailed comparison of information for the current year, including the fund balances at the beginning of the year, year-to-date actual receipts and revenues received and estimates of all receipts and revenues to be received the remainder of the year; estimated and actual revenues itemized by source; year-to-date actual expenditures and estimates of all expenditures to be made the remainder of the year itemized by agency, department, function, and character; other financing sources and uses by source and use, both year-to-date actual and estimates for the remainder of the year; the year-to-date actual and estimated fund balances as of the end of the fiscal year; and the percentage change for each item of information as required by state law [R.S. 39:1305(C)(2)(a)].
- C. The mayor is to present the proposed annual budget with a proposed adoption instrument (an ordinance if a Lawrason Act municipality) to the board no later than 15 days prior to the beginning of the fiscal year. Also, the proposed budget must be made available for public inspection no later than 15 days prior to the beginning of the fiscal year in accordance with state law. (See R.S. 39:1306 and R.S. 39:1308 for when and where to post the budget.)

The board is responsible for adopting the budgets in an open meeting before the end of the prior fiscal year.

Before the adoption of the budget, if the municipality has total proposed expenditures of \$500,000 or more from the general fund and any special revenue funds in a fiscal year, the public must be given an opportunity to participate in the budgetary process in accordance with state law. No proposed budget shall be considered for adoption or otherwise finalized until at least one (1) public hearing has been conducted on the proposal. The municipality must comply with the notice, publication and public hearing

requirements as required by state law (R.S. 39:1307).

If, at the end of any fiscal year, the appropriations necessary for the support of the municipality for the ensuing fiscal year have not been made, then 50% of the amounts appropriated in the appropriation ordinance resolution for the last validly passed budget year shall be deemed re-appropriated for the several objects and purposes specified in such ordinance/resolution. This 50% limitation will continue until a budget is approved (R.S. 39:1312).

D. The mayor is to administer and monitor the budgets and provide the board with monthly financial statements and budget-to-actual comparisons, including any warnings of any corrective action needed. The board is responsible for adopting amended budgets on a timely basis.

The mayor of a municipality must advise the board (R.S. 39:1311) when:

- (1) Total revenue and other sources plus projected revenue and other sources for the remainder of the year, within a fund are failing to meet total budgeted revenues and other sources by 5% or more.
- (2) Total actual expenditures and other uses plus projected expenditures and other uses for the remainder of the year, within a fund, are exceeding the total budgeted expenditures and other uses by 5% or more.
- (3) Actual beginning fund balance, within a fund, fails to meet estimated beginning fund balance by 5% or more and fund balance is being used to fund current year expenditures.

| PROCEDURES | Date and Person Responsible |
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| <p>Budget Preparation</p> <p>[Note: Start the budgeting process approximately 90 to 120 days before the beginning of the fiscal year being budgeted.]</p> <ol style="list-style-type: none"> 1. Meet with department heads to receive/discuss budget requests for the year. 2. Analyze trends of all sources of revenues and consider whether any increases/decreases are warranted. 3. Using the side by side comparison, analyze current year line-item expenditures to identify costs that can be reduced or eliminated and those that may increase. 4. Prepare a proposed budget for the general fund and each special revenue fund that includes the following as required by state law (R.S. 39:1305): <ul style="list-style-type: none"> • Estimated fund balance at beginning of year; • Estimated revenues/receipts itemized by source; • Recommended expenditures itemized by department, function, and | |

character;

- Other financing sources and uses by source and use; and
- Estimated fund balance at end of fiscal year.

[Note: The total of proposed expenditures shall not exceed the total of estimated funds available for the ensuing fiscal year. i.e. the beginning fund balance and any anticipated revenues.]

5. Prepare the budget adoption instrument (an appropriation ordinance or adoption resolution) to adopt and implement the budget document as required by state law [R.S. 39: 1 305(O)]. [Note: The adoption instrument must define the authority of the mayor to make changes within various budget classifications without approval by the board, as well as those powers reserved solely to the board.]
6. Prepare and sign a budget message that contains a summary description of the proposed budget, policies and objectives, assumptions, budgetary basis, and a discussion of the most important features as required by state law [R.S. 39:1305(C)(1)].

Budget Availability, Presentation, and Adoption

1. Before the adoption of the budget, the budget must be made available for public inspection (R.S. 39:1306).
 - If total proposed expenditures are \$500,000 or less in a fiscal year, make the proposed budget available at the mayor's office for public inspection no later than 15 days prior to the beginning of the fiscal year. (See R.S. 39:1306 and R.S. 39:1308)
 - If total proposed expenditures are \$500,000 or more in a fiscal year (from the general fund or any special revenue funds), the public must be afforded an opportunity to participate in the budgetary process prior to adoption of the budget (See R.S. 39:1307).
 - o If total proposed expenditures are \$500,000 or more, it is mandatory that a notice be published in the official journal stating that (a) the proposed budget is available for public inspection (no later than 15 days prior to the beginning of the fiscal year); (b) a public hearing on the proposed budget will be held; and (c) the date, time, and place of the hearing. [Note: The notice must be published at least 10 days prior to the date of the first public hearing.]
2. If applicable, conduct at least one public hearing on the proposed budget

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| <p>before it is adopted (R.S. 39:1307).</p> <ol style="list-style-type: none"> 3. If applicable, certify completion of public participation in the budget process by publishing a notice in the official journal (R.S. 39: 1307). 4. Present the proposed budget document (i.e., budget message, ordinance or resolution, and budget statement) to the board no later than 15 days prior to the beginning of the fiscal year in accordance with state law (R.S. 39:1306). 5. Ensure that the budget is adopted in an open meeting before the end of the prior fiscal year in accordance with state law [R.S. 39:1309(B)]. [Note: The adopted budget must be balanced with approved expenditures not exceeding the total of estimated funds available.] 6. Upon adoption, certified copies of the budget and adoption instrument should be provided to the mayor and maintained on file as required by state law [R.S. 39:1309(D)]. | |
| <p>Budget Monitoring</p> <ol style="list-style-type: none"> 1. Prepare monthly budget-to-actual comparison statements and formally present to the mayor and board for review/monitoring purposes. 2. Ensure that the mayor or clerk advises the board when there is a 5% variance in revenues or expenditures or beginning fund balance. | |
| <p>Budget Amendment</p> <p>Ensure that the board adopts a budget amendment (using the appropriate adoption instrument) in an open meeting upon receiving notification of a 5% variance or a change in operations upon which the original budget was developed.</p> | |
| <p>http://www.la.la.gov/localgovernment/bestpractices/</p> | <p>12/31/10</p> |

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