Budget Policy

Purpose: To establish a policy by which budgets will be approved, amended, developed, modified and managed.

Scope: Applies to all funds under accountability of the Town of Christiansburg.

Policy:

I Code of Virginia and Town Code

A In accordance with the Code of Virginia and the Town Code the Town Council shall annually adopt a budget for upcoming fiscal year on or before June 30th of each year.

The budget shall include, at a minimum, the following:

(1) an itemized plan of all contemplated revenues, expenditures and borrowings for the ensuing year;
(2) amounts appropriated during the previous year;
(3) amounts expended during the previous year;
(4) amounts appropriated during the current year; and,
(5) the increases or decreases in the contemplated expenditures for the ensuing year compared to the current year.

Accompanying this information should be a statement of contemplated revenues, expenditures, liabilities, reserves and surplus or deficit as of the date of the budget and a balance sheet as of the close of the preceding fiscal year.

B Public Hearings and Approvals

(1) A synopsis of the budget shall published in the local paper at least seven days before a public hearing on the budget will be held.

(2) A public hearing on the budget shall be held at least seven days prior to the approval of the budget.

C Budget Amendments

(1) A budget amendment shall be required when expenditures are anticipated to exceed the currently budgeted expenditures at the fund level. Budget Amendments require the approval of the Town Council.

(2) The Town Council may amend the budget at anytime to increase or decrease anticipated expenditures and or revenues. However, amendments which exceed 1% of the currently approved budgeted expenditures requires public notice and public hearing. Such notice and hearing must be at least seven days prior to the hearing. The amendment may be adopted at the same meeting after the public hearing has been held.

D Town code requires that the Town Manager submit a tentative budget for each fiscal year and that the council cause to be prepared a budget that includes estimated receipts and proposed expenditures for the Town.

II Budget Development

A The initial budget shall be developed by the Executive Management Team and presented in various stages to the Finance Committee.

B After review by the Finance Committee they shall make recommendations to the Town Council for approval, changes, revenue increases, and modifications as they deem appropriate.

C Before July 1st the Town Council shall approve the budget.

D Budgets for grants shall be within the Special Revenue Funds and the budgets shall be in accordance with the grant documents.

E Special Revenue budgets will carryover all fund balances to the next fiscal year for rebudgeting and expenditure in accordance with the original purpose identified for the fund.

F Capital Project funds will be established for construction projects which are expected to extend beyond one fiscal year. Once funds are appropriated for the project the balance of the funds shall rollover from year to year until the project is completed. Any unexpended funds after completion will be returned to the fund from which it was initially funded.

III Budget Modifications

A Budget modifications, transfers, and rescissions' do not require approval of Council provided that they do not increase the overall budget currently approved. They must be approved by the Town Manager and the Director of Finance.

B Budget modifications may be of the following :

(1) line item changes within a specific departmental/program budget

(2) transfer of funds or positions to another department or program

(3) a rescission is an overall reduction in expenditures due to revenue shortfall projections.

C Budget modifications may not result in the addition of fulltime employees. Additional full time employee positions requires the approval of Council. Reclassifying an employees duties, responsibilities and department that will not result in an increased number of full time employees is permissible with the approval of the Town Manager and Director of Finance.

D Budget modifications may not add or delete capital acquisitions or projects greater than $10,000. Additions of capital acquisitions above $10,000 must be approved by Council. Budget dollars may be shifted from any approved capital item to another approved capital item to cover unanticipated overages and shortfalls provided the overall capital budget is not increased.