

TOWN OF BEEKMAN BUDGET & FINANCIAL POLICY

I. STAFF Administration Responsibilities for the Annual Operating Budget.

1. The Budget Officer & Town Supervisor shall:

- a. Prepare the Tentative Budget with the assistance of the Financial Staff
- b. Attach a Budget Message to the Tentative Budget.
- c. File the Tentative Budget Document with the Town Clerk by September 30.
- d. Prepare the Preliminary Budget after the Town Board Review.
- e. Complete the Adopted Budget and verify all Accounts are accurate.
- f. Approve the Adopted Budget and submit to the Town Clerk for filing with the County.
- g. Monitor the Budget Activity during the year and report to the Town Board.
- h. Prepare Budget Revisions during the year for Town Board approval, pursuant to TL §112.

2. The Town Board shall:

- a. Perform review of the Tentative Budget.
- b. Approve the Preliminary Budget and file with the Town Clerk by legal deadline.
- c. Hold a Public Hearing on the Preliminary Budget.
- d. Adopt the Final Budget by November 20 with any amendments to the Preliminary Budget.
- e. Approve all subsequent Revisions to the Adopted Budget during the fiscal year.

3. The Finance Department shall:

- a. Assist the Budget Officer and the Town Board preparing the Annual Budget.
- b. Develop and update the budget reporting formats on the Town's computer system.
- c. Review and analyze budget requests for accuracy and Insurance Targets.
- d. Ensure the expenditure and revenue assumptions are realistic and achievable.
- e. Post Approved Budget Revisions during the year to the Financial system.
- f. Coordinate with the KVS Information Systems to "roll over" the line item budget tables into the financial system to prepare for the new fiscal year.

4. The Town Clerk shall:

- a. Present the Tentative Budget to the Town Board as required by Town Law.
- a. Publish required legal notices for Public Hearings on the Preliminary Budget.
- b. Submit the Adopted Budget to the County for Tax Levy pursuant to Town Law §115.

5. The Department Administrators shall:

- a. Prepare budget request and complete required forms according to the specific instructions, submit to the Budget Officer and Town Supervisor for the Tentative Budget.
- b. List all services and programs provided by the department and rank the priorities.
- c. Discuss the budget request with the Budget Officer or Town Board, if necessary.
- d. Submit requests for building & land improvements for the Town Capital Plan.

II. Financial Policies and Guidelines for the Town Annual Operating Budget.

1. The Town shall adopt a balanced budget matching the current expenditures with revenues where possible, and avoid budgetary practices that delay current expenditures.
2. The budget shall avoid overestimating Revenues or other sources to match expenses.
3. The budget will provide for adequate maintenance of plant and equipment, and for the orderly replacement of operating assets.
4. The Town will maintain an interactive budgetary control system including monthly budget performance reports issued to management.
5. The Town, where possible, will integrate performance measurement in the budget.
6. The Town will establish the practice of budgeting for indirect costs in programs to insure that full costs are reflected in every program and every fund.
7. The budget shall include a Contingency Account in the General Fund for emergencies at a minimum of 1% and maximum of 5% of the estimated annual operating expenditures.
8. The budget shall avoid large tax rate increases except where there is a recovery of a Fund Deficit. A recovery of a Fund Deficit shall be planned over a two year period.
9. The Town will utilize the GFOA OSC budget best practices and guidelines.

III. General Accounting Policies and Procedures

A. Accounts Payable/Expenses

1. Payments are made only from vouchers with attached invoices, certified by the vendor and approved by the department head, dated, and assigned appropriation accounts.
2. Expenses shall comply with the Town Procurement Policy.
3. Invoice numbers shall be input into the computer system to insure that duplicate invoice numbers are not paid.
4. Invoices shall be checked to insure that sales tax or other charges outside any contractual limits are excluded.
5. All expense vouchers with the exception of utilities, debt service, and health care payments shall be listed in the Abstract for Payments approved by the Town Board.
6. A resolution authorizing Payments of debt service, utilities and health care expenses prior to audit can be approved by Town Board Resolution.
7. Business travel expenses shall be pre-approved by the Town Board.
8. General Administrative costs in the General Fund will be charged to the Special Districts and Capital Project Funds based on dollar % of annual costs.
9. Insurance, Engineering and Legal expenses shall be charged directly to the government funds or projects.

B. Bank Account Reconciliations

1. Bank Accounts shall be reconciled on a monthly basis.
2. The person(s) issuing checks on a given bank account is not the person reconciling the bank statements.
3. As Treasurer, the Supervisor shall review all bank statements and bank reconciliations.
4. Limits shall be set for the amount of electronic transfers that can be authorized.

C. Payroll Processing

1. Two employees are approved for the payroll processing on periodic pay cycles.
2. As Treasurer, the Supervisor shall review the payroll hours and randomly check the pay rates each pay cycle.
3. Balancing controls for all earnings and deductions are maintained, to insure that the system stays in balance and reviewed periodically.

D. Accounting Journal Entries

1. Departments may occasionally note the need for account corrections. A journal request may be required to correct an expense charged to the wrong account. A Journal Entry Request Form with attachments shall be submitted to the Finance Department for approval and processing.
2. Journal entries originated by the Director of Finance shall be approved by the Town Supervisor.
3. Journal entries processed for recurring items, generated by the computer system shall not require approval of the Supervisor.
4. No journal entries, other than audit adjustments, shall be posted after the close of the fiscal year end.
5. Transfers of Funds shall be approved pursuant to Town Law §113.

E. Revenues

1. All cash receipts for Revenues shall be deposited promptly to the bank accounts.
2. All deposited revenues shall be identified and recorded to the appropriate accounts.
3. Revenues collected should be reconciled to the appropriate accounts periodically.
4. Cash Revenues should be locked in a secure vault until deposited.
5. Government Grant Program Aid should be utilized first against expenses before the use of Town Revenues or sources.
6. One time Revenue sources shall not be used for current operating expenses.

IV. Capital Improvement Projects Plan

1. The Town Board will develop and administer a multi-year plan for capital improvements.
2. The Town Board will review proposed Department Requests for Capital Improvements
3. The Town Board will review the Capital Plan annually and update as necessary.
4. The Town will determine the future operating costs associated with new capital improvements and the projected costs will be included in the operating budgets.
5. The Town will seek Federal, State and County Funds for Projects where possible and these Funds will be utilized before Town Sources.
6. The Capital Projects will be authorized by Town Board Resolution which defines the maximum appropriation amount and the Funding sources.