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# *Budget Process and Calendar*

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The Finance Department has a Budget Preparation Manual and a Capital Improvements Plan Manual to assist the department. The Manuals contain and explain policies, procedures, budget schedule which highlights the milestones and due dates, and forms to be used in the budget process.

On December 13, 2004, the Manuals were distributed at a Budget and CIP Kick-off workshop held with the City Manager and the Executive Management Team. This workshop included a briefing on the status of the current fiscal year budget, a review of the FY 2005-06 schedule and budget process, including changes in the process, and a discussion on essential principles and elements of the budget process.

Departments were requested to prepare budget requests based on the following criterion:

**1. Appropriation Target:**

Regardless of funding sources, the FY 2005-06 appropriation target for each department is the originally adopted appropriation for FY 2004-05, adjusted for salary and benefits as required by various memoranda of understanding.

**2. Alignment with Strategic Plan:**

Budget requests should support the achievement of the current strategic goals.

**3. Work Plan and Performance Indicators:**

As in FY 2004-05, additional emphasis is being placed on departmental work plans and performance measures. The work plan includes information on specific departmental goals, the measurable objectives for progress in achieving the departmental goals, and the strategies that departments plan to use during FY 2005-06.

After departments submitted their budgets, as part of the review and analysis process, budget hearings were scheduled, where each department had an opportunity to present their budget to the City Manager, the Assistant City Manager, the Finance Director, and the Budget and Evaluation Manager.

The Folsom Municipal Code requires that the budget for the ensuing fiscal year shall be presented to the City Council on or before the first working day of the last month of each fiscal year. A budget workshop will be held on June 1 with the City Council to receive public comment and to review the components of the proposed budget, prior to formal consideration for adoption.

Budgets are adopted on a basis consistent with generally accepted accounting principles. The City Council adopts the annual budget submitted by the City Manager prior to the beginning of the new fiscal year. All appropriations lapse at year-end except for those relating to encumbrances, which are approved for carryover to the subsequent year. The City Manager has the authority to make adjustments within departmental budgets. Adjustments between funds require the approval of the City Council.

Budgetary controls are maintained to ensure compliance with the budget as approved by the City Council. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is at the fund and department level.

Department directors and other management staff with budgetary responsibilities are provided with a monthly budget versus actual expenditure report. Quarterly financial statements are prepared for the City Council, which include a budget-to-actual analysis for both revenues and expenditures. Revenue projections are revised as part of the mid-year budget analysis, and appropriations are adjusted, if required.

<b>December 2003</b>	<ul style="list-style-type: none"><li>✓ Budget &amp; CIP Kick-off</li></ul>
<b>February</b>	<ul style="list-style-type: none"><li>✓ Operating Budgets and CIPs due to Finance Department</li><li>✓ Accomplishments, Key Issues and Performance Measures</li></ul>
<b>March</b>	<ul style="list-style-type: none"><li>✓ Mid-Year 2004-05 Budget Review</li></ul>
<b>April</b>	<ul style="list-style-type: none"><li>✓ Finance reviews Budgets with Departments</li><li>✓ Budget Hearings with the City Manager, Assistant City Manager, Finance Director, and Budget Manager</li></ul>
<b>May</b>	<ul style="list-style-type: none"><li>✓ City Manager presents Preliminary Budget to City Council</li></ul>
<b>June</b>	<ul style="list-style-type: none"><li>✓ City Council Budget Workshop</li><li>✓ City Council adopts Final Budget</li><li>✓ Finance Department implements Adopted Budget</li></ul>
<b>Ongoing</b>	<ul style="list-style-type: none"><li>✓ Budget is monitored through quarterly financial statements to City Council</li></ul>