

# Procedures for Budget Process

The following procedure is to be followed when creating the annual budget.

## **Budget Process**

### Preliminary Budget Work

The Director of Finance and Finance Manager are responsible for the preliminary work related to the budget. At approximately May of each year, they will formulate the budget calendar. This calendar must include important dates for all aspects of the budget process as well as the legal filing deadlines. At this same time, the Director of Finance and Finance Manager will work on the budget guidelines. These guidelines include guidance on costs increases for the coming year as well as the percentage fee increase for each program to continue the District's operations. All of this information is provided to the board prior to the budget process beginning, and then distributed to staff

### Budget Goals Process

Employees are required to create budget-related goals each year for each budget area. This process also includes evaluating the outcomes of the previous year's goals. This process usually begins in July and is reviewed throughout the budget process by the Director of Finance and Executive Director. These goals are to be measurable and should be tied to the District's strategic initiatives and performance goals for those employees. Meetings will be held with each supervisor to review and discuss their area's and how they scored their progress on their goals.

### Budget Document Creation

Each staff member is responsible for entering a majority of their budgets related to the area they oversee. Business Operations is responsible for entering items including full-time wages, utilities, bank fees, etc. This information is provided to staff as part of the budget guidelines. After all information is entered into the District's financial software (MSI) meetings will be held with supervisors and the Executive Director, Director of Finance, and Finance Manager. The Finance Manager is responsible for compiling all information and assembling into the budget documents into the form the District uses to attempt to get the Government Finance Officer's (GFOA) Budget Award each year. The working budget will be presented to the board at two meetings. These meetings are split as Administration and Historic Properties and then a second meeting dealing with Recreation and Revenue Facilities.

### Budget and Appropriation Ordinance

The Park District completes the working budget which is the baseline staff uses when making purchasing decisions in that given year. However, the Park District is subject to the budget and appropriation act under the Park District Code (70 ILCS 1205). This act requires the District will approve a budget and appropriation ordinance before the beginning of the fiscal year. The code also requires the District place the budget and appropriations ordinance on the table for public display 30 days prior to the public on the ordinance. This public hearing on this ordinance occurs at the Committee of the Whole Meeting in November. As a matter of practice the District approves the budget and appropriation ordinance at the November Regular Board Meeting. This ordinance once approved by the Board of Commissioners must be filed with the Cook County Clerk's Office no later than the last Tuesday of the fiscal year. When filing make sure to receive a

filing certificate and place the ordinance and filing certificate in the binder in the Business Office for tracking purposes.

In formulating the budget and appropriation ordinance, the District must appropriate amounts the District can legally spend. In an attempt to give some financial flexibility, it has been the practice to increase each line item in the budget and appropriation ordinance by a minimum of 10% from the working budget. Staff however has the understanding they are to work within the working budget and this is to provide flexibility on how exactly the money is spent.

#### Final Steps

Final approved budgets are to be distributed to staff before the beginning of the fiscal year. The budget information is to be imported into the newly created fiscal year in the General Ledger module before the beginning of the new fiscal year. The Park District currently puts in an application for the GFOA Budget Award. The application for this award is due to GFOA no later than 90 days after the passage of the budget by the board.