

Budget Process

The budget is the County's plan of how to collect and distribute revenues to departments in a manner that addresses the most critical public needs. Balancing a list of resources to an almost always longer list of needs is never easy. That is why the County devotes so much time and energy to the budget process.

In 1989 Hanover County began preparing a Five-Year Financial Plan for the General Fund. The plan is an integral part of the budget process, forming the basis for determining funding priorities. Priority is generally given to those items in the prior year's plan. Departments requesting funding for items not in the plan must clearly demonstrate what has occurred during the past year to make the item a priority. Knowing that the items included in the plan are more likely to be funded, departments plan for their growth and related resource needs five years at a time instead of year-to-year. All five years of the plan are adopted by the Board of Supervisors, however, only the first year is appropriated.

The County Administrator, after consultation with department heads, identifies budget objectives for the upcoming fiscal year. The budget objectives provide policy direction for the formulation of the County Administrator's proposed budget, while the County's budget calendar identifies important dates throughout budget preparation and adoption. The budget calendar is described in detail below.

September/October

The Finance Department and County Administrator establish a budget schedule by October 1. Budget development begins in late September when operating and Capital Improvement Program (CIP) budget worksheets are made available to all County department and agency heads. Budget training is held the first week of October with instructions for the upcoming budget process. All budget requests are due to the Budget Division at the end of October, providing detail as to personnel, operating and capital requests, including five-year CIP requests, five-year financial plan requests and performance objectives. Letters are mailed to community organizations to solicit contribution requests. County and School officials meet to reach consensus of enrollment projections, funding resources available, CIP needs and operating needs.

November

Budget Division analyzes and compares operating budget, personnel and CIP requests to target budgets established in the Five-Year Financial Plan. Budget requests are reviewed for feasibility and adjustments to personnel are reviewed for cost/benefit justification and relation to performance objectives. Outside organizations submit contribution requests. The County Administrator begins meeting with each department head to discuss departmental needs and requested enhancements. County and School officials continue to meet and agree on a School target.

December

The County Administrator continues to meet with department heads. Preliminary estimates of revenues are compiled. The Governor presents his Recommended Budget to the General Assembly. County and School officials agree on target allocation of General Fund resources.

January

The County Administrator adjusts departmental requested budgets and works with Budget Division staff and County Administrator's senior staff to prepare a balanced budget for the Five-Year Financial Plan. The Superintendent presents a recommended budget to the School Board by

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January 15 and the School Board approves the budget request, with any enumerated changes, by February 1. During the second half of the current fiscal year, quarterly financial reports are prepared by the Department of Finance and presented to the Board of Supervisors. The General Assembly begins to review the Governor's budget and applicable changes by the General Assembly are made in the County's budget.

February

Budget staff organizes, edits, and compiles the final draft of the County Administrator's Proposed Budget. The County Administrator presents the proposed budget to the Board of Supervisors. Copies are made available to the public and on the County's website. Summaries of the County Administrator's Proposed Budget are distributed to citizens, citizen action groups, businesses, media and other interested parties.

March

Department workshops are held by selected department heads and County staff to provide the Supervisors and citizens with an understanding of the proposed budget. Public notices of the budget summary, CIP, and all rate and user fee changes are published in the local paper, giving the citizens and other interested parties sufficient notice as to the date, time and place of public hearings. Based on input from County staff, the Supervisors make any necessary adjustments to the County Administrator's Proposed Budget. The Planning Commission also reviews the Five-Year CIP and issues a resolution for the Board of Supervisors' consideration.

April

Public hearings are held on the proposed budget and any changes in tax rates or County ordinances. The Proposed Budget and Five-Year Financial Plan are amended based on updated revenue projections, applicable General Assembly action and direction from the Board of Supervisors. The Board adopts a line-item budget, but appropriates by fund and major expenditure category as defined by the Auditor of Public Accounts. The Board sets tax rates and makes ordinance changes. The Board also adopts a Five-Year CIP and a Five-Year Financial Plan for the General Fund. Statutory deadlines for budget adoption are May 1 for the School Board and June 30 for the County. The County adopts the budget in early April to provide sufficient notice to taxpayers for the first half real property tax bills due on June 5.

May/June

The adopted budget document is prepared, distributed, and placed on the County's website.

July

Department and agency heads submit requests to reappropriate unencumbered operating balances into the subsequent fiscal year. Reappropriations represent goods or services which had been previously approved in the existing budget but due to time constraints, delay in receipt, etc., these goods or services were not acquired during the current fiscal year. Requests are reviewed and adjustments are made. Encumbered items and unencumbered capital balances are reappropriated for the life of the projects, unless amended by the Board, effective July 1 of each year.

August

The County Administrator recommends to the Board of Supervisors reappropriation of unencumbered operating balances from the previous fiscal year. Adjustments, if any, are made to the County Administrator's recommended reappropriations.