

Appendix C

THE COUNTY BUDGET ACT: (19 § 1401-1421)*

This Act is to provide a budget procedure for County governments which shall

- establish uniform fiscal procedures for execution and control of budgets;
- enable counties to make financial plans for both current and capital expenditures;
- ensure that executive staff administer their functions in accordance with adopted budgets;
- make available to the public and investors adequate information regarding financial conditions;
- foster use of governmental accounting principles and standards of governmental financial management;

Resolution

Once a county has selected, by resolution of the BOARD OF COUNTY COMMISSIONERS, the County Budget Act to govern its budget procedures, this Act takes precedence over any other state laws applicable to County budgets, except as may be provided otherwise in this act and supersede any conflicting laws. Any action of a County to implement or repeal the application of this act shall be effective at the beginning or end of a budget year.

County Budget Board Composition

A County Budget Board is created in each County which elects to come under this Act. The Board shall consist of each elected County Officer. The Chairman of the Budget Board shall be the Chairman of the Board of County Commissioners. The secretary of the Budget Board shall be the County Clerk. A Vice Chairman of the Budget Board shall be elected by the Budget Board members. The Vice Chairman serves in the absence of the Chairman. Should a vacancy occur in the office of any County Officer serving as a member of the Budget Board, that position shall remain vacant until the office is filled in the manner prescribed by law.

Meetings

1. Regular meetings of the Budget Board shall be set by the Budget Board.
2. Special meetings shall be held at the call of the Chairman or any two members of the Budget Board.
3. A MAJORITY of all members of the Budget Board shall constitute a QUORUM and have power to transact business.
4. Any official action of the Budget Board in adopting or revising the County budget shall be effective upon the approving vote of a majority of all Budget Board members.

Preparation for the County Budget (19 O.S. § 1411)

1. On or before a date set by the budget board, the EXCISE BOARD shall provide a tentative estimate of anticipated revenues.
2. On or before a date set by the budget board, EACH OFFICER AND MANAGER shall prepare estimated revenues and expenditures of the office or department. The budget board may require additional statistics as needed to ascertain fiscal conditions and needs. The information from each office or department is to be presented in tabular form.
3. The budget board shall estimate, on the basis of DEMONSTRATED NEED, the expenditures for the budget year. Each official's financial statements are reviewed and each official is given an OPPORTUNITY TO ADDRESS the budget board.

* Section 1404 was amended in 1993.

Making the Budget (19 O.S. §§ 1410, 1417)

1. The Budget Board shall COMPLETE A BUDGET for each fund of the County thirty (30) days prior to the beginning of each fiscal year.
2. Each budget shall provide a complete financial plan for the budget year.
3. A BUDGET FORMAT is included in the County Budget Act (19 O.S. § 1410). The State Auditor and Inspector is charged with prescribing the specifics of the format. The format shall include in tabular form for each fund, itemized by department and account:
 - a. actual revenues and expenditures for the PRIOR FISCAL YEAR
 - b. estimated actual revenues and expenditures for the CURRENT FISCAL YEAR
 - c. estimated revenues and proposed expenditures for the BUDGET YEAR
4. REVENUES shall be classified by source.
5. EXPENDITURES shall be departmentalized by function and activity within each fund and shall be classified within the following categories:
 - a. Salaries and wages
 - b. Employee benefits
 - c. Operating expenses
 - d. Other charges
 - e. Capital Outlay
 - f. Debt service

Budget Board counties generally use the same budget report prescribed by S.A.&I. for other counties.

Public Budget Hearing

1. The Budget Board shall hold a public hearing on the proposed budget no later than FIFTEEN (15) DAYS PRIOR to the beginning of the budget year.
2. Notice of the date, time and place of the hearing, together with proposed budget summaries, shall be published in a newspaper of general circulation in the county not less than five (5) days before the date of the hearing.
3. An affidavit and proof of publication shall be attached to the budget when filed with the excise board and the S.A.& I.
4. The County Clerk shall make available sufficient COPIES of the proposed budgets as the Budget Board shall determine and have AVAILABLE for review or for distribution or sale at the office of the County Clerk.
5. The public is entitled to review the proposed budget and may present comments, etc. regarding the Budget at the hearing.

Adoption of the budget

1. After the public hearing and at least SEVEN (7) DAYS PRIOR to the beginning of the budget year, the Budget Board shall adopt the budget for each fund.
2. The Budget Board may increase, decrease, add or delete items in each budget.
3. The expenditures shall not exceed the estimated revenues in the budget of any fund.
4. The adopted budget shall be FILED WITH THE EXCISE BOARD of the County on or before the first day of the budget year.
5. One copy of each budget as adopted shall be kept on file in the County Clerk's office and one copy filed with the State Auditor and Inspector.
6. The adopted budget shall be effective July 1 subject to FINAL APPROVAL BY THE EXCISE BOARD.

Powers and Duties of the Excise Board (19 O.S. § 1414)

1. Any items or amounts which are UNAUTHORIZED by law or illegal shall be stricken.
2. Any EXCESSIVE amounts for authorized items shall be reduced.

3. If any MANDATED ITEMS are not provided for, the budget is returned to the budget board and the budget board has fifteen (15) days to resubmit it to the excise board.
4. If budget revenues are found to EXCEED the amount available for appropriation as calculated by the excise board, the budget board has fifteen (15) days to resubmit the budget.
5. If the budget is within the income and revenues lawfully available, the excise board SHALL APPROVE the budget and compute the levy required.
6. At the time required by law, the excise board shall COMPUTE THE APPROPRIATIONS AND LEVY necessary for the budget year in accordance with this act and Section 3017 of Title 68.
7. The secretary of the excise board CERTIFIES the approved budget to the budget board, the county treasurer, and the State Auditor and Inspector.

Protests (19 O.S. § 1415)

WITHIN FIFTEEN (15) DAYS after the filing of any county budget with the S.A. & I. , any taxpayer may file protests against any alleged illegality. If no protest is filed, the budget and appropriations are deemed legal and final.

Transfer of Appropriations (19 O.S. § 1418)

The BUDGET BOARD MAY AUTHORIZE TRANSFERS of any unencumbered and unexpended appropriation from one expenditure category to another within the same department or from one department to another within the same fund.

Amendment of the Budget (19 O.S. § 1420)

Supplemental Appropriations

The budget board may amend the budget to make supplemental appropriations to any fund up to the amount of revenues in excess of the total estimated in the latest budget.

Budget Reductions

If at any time during the budget year it appears probable that revenues will be insufficient to meet the amount appropriated or due to unforeseen emergencies there is a temporary shortfall, the budget board may amend the budget to reduce one or more appropriations or transfer from one fund to another (as allowed by statute).

Budget amendments must be filed with the county clerk, county EXCISE BOARD, and the S.A. & I.

Differences Between the Two County Budget Systems: Commissioner/Excise System and Budget Board System

<u>Subject</u>	<u>Commissioner/Excise</u>	<u>Budget Board</u>
Estimates Funds Available	Excise Board by July 1	Excise Board by a date set by the Budget Board
Budget Conference	Each officer submits estimate of needs to Excise Board and Commissioners	Each officer submits estimate of needs to Budget Board
Submits Budget	Commissioners submit to Excise Bd. by August 17	Budget Board submits to Excise Bd. by July 1
Temporary Appropriation	Excise Board authorizes.	Should not be necessary.
Inadequate provision for mandatory functions	Excise Board provides an estimate of needs unless the officer in charge submits such.	Excise Board returns budget to Budget Board who must respond within 15 days.
Trims Requests:		
Amount exceeds lawful amount.	Excise Board	Excise Board
Ad valorem budget revenues exceed appropriation.	Excise Board/Commissioners	Excise Board returns budget to Budget Board who must respond within 15 days.
Approves Balanced, Lawful Budget	Excise Board	Excise Board
Amends Budget or Supplements	Authorized by Excise Board.	Authorized by Budget Board.
Transfers	Approved by Commissioners. Excise Board is notified.	Approved by Budget Board.

Summary: In some ways, the Budget Board takes over budget duties formerly held by Commissioners. In some other instances, the Budget Board has duties previously held by the Excise Board. By and large, the Excise Board has the same duties. Perhaps the biggest difference between the two systems is the accelerated schedule of the Budget Board system. Lastly, whether one system works better than another depends largely upon the personalities involved, that is, the personalities of the Commissioners, Excise Board members, and all other county officers. Mutual respect, fairness, and team work are essential elements for making either system work well.