

		<b>LYON COUNTY</b> <b>ADMINISTRATIVE POLICIES AND PROCEDURES</b>	
TOPIC: BUDGET		NUMBER: 2-6	
EFFECTIVE: 2/05/2015	REVISED:	REVIEWED: Annually	
REFERENCE: NRS 354			
POLICY CUSTODIAN:			

**A. POLICY**

Lyon County adheres to the provisions set forth in Nevada Revised Statutes (NRS) 354 in preparing its budget for the fiscal year which begins July 1 and concludes June 30. Each fund is created for a specific purpose and the total of all funds is the County Budget.

Nevada Revised Statutes and the Department of Taxation require the County Budget to:

- Be balanced – expenditures cannot exceed total available revenues and beginning fund balances.
- Classify expenditures by object and revenue source.
- Estimate beginning and ending fund balances
- Show corresponding actual figures for the prior fiscal year and estimated figures projected through the end of the current fiscal year, including disclosure of all beginning and ending fund balances consistent with the basis of accounting used to prepare the budget
- Include a budget message which describes important features of the proposed budget

Lyon County’s budget preparation, review and adoption procedures have been structured in accordance to Nevada Revised Statutes and in accordance with recommendations from the Department of Taxation.

**B. RESPONSIBILITIES & TENTATIVE BUDGET**

1. The County Manager is responsible for preparing a balanced budget for Board consideration. As part of this responsibility, the County Manager will:

- Develop and distribute a Budget Calendar to the Board in January
- Have Appointed and Elected Officials prepare and submit estimates for current year expenditures and submit expenditure requests for the subsequent budget year
- Receive outside agency budget requests
- Meet with the Appointed and Elected Officials to review their submittals
- Develop recommendations for a balanced budget and submit it to the Board for approval by their first meeting in April

2. The Board will review the recommended budget at a workshop by their first meeting in April and direct the County Manager to make any changes. As part of this process, the Board will:
  - Review and approve any position additions, deletions, and changes
  - Review and approve department budgets by object and in total
  - Review and approve any capital outlay requests
  - Review and approve additions to the vehicle fleet
  - Ensure that excess beginning fund balance which hasn't been contractually reserved is budgeted to be transferred to a capital projects fund or used for one-time expenditures
  - Ensure that the General Fund has a contingency of up to 3% of expenditures
  - Ensure that the General Fund has a budgeted ending fund balance of at least 8.3% of expenditures, net of capital outlay, (equivalent to one month's operations) for cash flow requirements
3. The County Manager will then be responsible to have the tentative budget prepared in the format required by the State of Nevada for formal adoption by the Board prior to April 15. Once the Board approves the budget, the County Manager will then ensure that it is filed with the County Clerk and the Department of Taxation by the mandated deadline.

If the Board wishes to make subsequent changes to the budget, a workshop will be held by the Board's first meeting in May to discuss and approve these changes.

The Board will hold a public hearing as required by statute, currently on the third Monday in May, on the tentative budget. After this public hearing, the Board will adopt the final budget and have a majority of the Board sign the final budget document. The County Manager will then be responsible to have the final budget filed with the County Clerk and the Department of Taxation by the required deadline.

#### C. RESPONSIBILITIES & FINAL BUDGET

1. Adoption of the final budget signifies the following:
  - The number of approved positions, with subsequent changes in approved positions requiring formal Board action
  - The final budgeted amount for functions, departments, and objects (objects are salaries, benefits, services and supplies, and capital outlay). Changes between functions may only be done by Board action. Changes in department or object budgets within the same function may be authorized the County Manager or Comptroller so long as the Board receives notification of the change at the Board's next scheduled meeting. Operating contracts within budgeted amounts that do not require

competitive bids may be signed by the County Manager upon review by the District Attorney's Office and Risk Management.

- The approved capital outlay projects to be implemented by staff.
    - The County Manager is authorized to proceed with and sign contracts for all capital projects below formal competitive bidding requirements. Projects that will exceed the budget require formal Board action.
    - Projects exceeding formal competitive bidding requirements will proceed at a staff level until formal bids have been received. The Board will then have the option to award the bid. If the Board chooses not to award the bid, the Board will direct the County Manager on how to proceed on the project. If the bid is awarded, the County Manager or his designee is authorized to sign necessary change orders within the budget for that capital outlay item.
    - Savings from one capital projects cannot be used for another capital project unless expressly authorized by formal action of the Board.
  - The final budgeted amount for contingency. Contingency may only be transferred for use with a formal action of the board.
2. Appointed and Elected Officials are not to spend any money that is not appropriated at an object level. Upon request, the County Manager may transfer budget within functions provided that the Board is notified of the transfer at the next scheduled meeting of the Board.
  3. When grant revenue is received, it results in an automatic budget augmentation on both the revenue and expenditure (or expense) side. The Comptroller's Office will perform these augmentations to the budget on a quarterly basis.
  4. The Board may authorize contingency spending during the year. Contingency spending will be summarized into a contingency transfer that will be presented to the Board for authorization in June of each year.
  5. The Board may augment budgets during the year. A budget augmentation in a fund that does not levy a property tax may be done by a Board action. A budget augmentation in a fund that does levy a property tax requires newspaper notification prior to the Board action. The Board must anticipate additional resources (revenue or beginning fund balance) that exceed what was in the original budget to be able to augment a budget.