ARTICLE 15

Budget Preparation and Enactment

by A. John Vogt and William C. Rivenbark

Definitions and Purposes of the Budget / 2

The Public-Purpose Limitation / 4

Budgeting and Accounting / 5

Fund Accounting / 5

General Fund / 5

Debt Service Funds / 6

Special Revenue Funds / 6

Capital Project Funds / 6

Permanent Funds / 6

Enterprise Funds / 6

Internal Service Funds / 6

Trust Funds (Pension, Investment, and Private-Purpose) / 7

Agency Funds / 7

Budgetary Accounting / 7

Basis of Accounting / 8

The Inclusiveness Requirement / 8

Annual Budget Ordinance / 8

Project Ordinances / 9

Financial Plans for Internal Service Funds / 10

Moneys Not Having to Be Budgeted / 10

The Balanced-Budget Requirement / 10

Annual Budget Ordinance / 10

Estimated Net Revenues / 11

Appropriated Fund Balance / 13

Appropriations for Expenditures / 14

Project Ordinances / 17

Financial Plans for Internal Service Funds / 18

The Budget Officer / 19

The Annual Budget Preparation Process / 19

Initiation of the Budget Process / 19

Calendar for Budget Preparation / 19

Budget Forms and Procedures / 20

Departmental Requests / 20

Departmental Receipts / 20

Line-Item Expenditures / 20

Service Plans / 21

Continuation and Expansion Expenditures / 21

The Recommended Budget / 21

The Budget Officer's Review of Requests / 22

Submission of the Recommended Budget / 23 $\,$

Revenue-Neutral Tax Rate / 23

Enactment of the Annual Budget / 24

Board Review / 24

Public Hearing(s) on the Budget / 24

Enactment of the Annual Budget Ordinance / 25

Budget Modification and Amendment / 26

Modifications in the Annual Budget / 26

Contingency Appropriations in the Annual Budget / 26

Amendments to the Annual Budget Ordinance / 26

Amendments to Project Ordinances / 27

Modifications to Financial Plans for Internal Service

Funds / 27

ISBN 978-1-56011-512-0. This article was last updated in 2006. © 2007 School of Government. The University of North Carolina at Chapel Hill. This work is copyrighted and subject to "fair use" as permitted by federal copyright law. No portion of this publication may be reproduced or transmitted in any form or by any means—including but not limited to copying, distributing, selling, or using commercially—without the express written permission of the publisher. Commercial distribution by third parties is prohibited. Prohibited distribution includes, but is not limited to, posting, e-mailing, faxing, archiving in a public database, installing on intranets or servers, and redistributing via a computer network or in printed form. Unauthorized use or reproduction may result in legal action against the unauthorized user.