

Budget Planning Process

Objective: Align budget request to actual spending to improve forecasting of budget requirements and reporting of BHCA expenditures.

Mission: Provide accurate and transparent budget oversight while complying with Anne Arundel County’s budget preparation and submission requirements for Special Community Benefits Districts.

Proposed Timeline:

Annual Budget Process	Timeline
Committee Project Planning	February 1 st to June 30 th
Board Review of Proposed Projects	July 1 st to August 31 st
Committee Chair Submits Budget Request Forms/ Documentation	September 1 st to September 30 th
Budget Committee Prepares Budget Package	October 1 st to October 31 st
Board Review and Approval of Proposed Budget	November 1 st to November 30 th
Community Budget Meeting	Before December 15 th
Submit Approved Budget to AACO	Before January 30 th

Process: This process assigns budget requests into one of two categories – fixed expenditures and one-time budget expenditures:

- Fixed expenditures – these are line items of the budget that are planned for annually or bi-annually such as maintenance funds, fees, and annual expenses.
- One-time requests – these are projects to maintain, enhance or build new community assets.

Proposed process for planning each request type by fiscal year.

Fixed Expenditures:

The committee chair is responsible for submitting a Budget Request Form for CFY+1 planned expenditures. This amount is the “CFY+1 Request” for the upcoming fiscal year.

The “CFY+1 Budget” amount is a calculated figure. Because the budget is submitted to the county during the current fiscal year, a two year cycle is used for calculating the CFY+1 Budget amount.

Formula - The CFY+1 Budget = CFY+1 Request – (CFY-1 Budget – CFY-1 Actual).

Example:

EXPENDITURES	FY16 Budget	FY16 Actuals	FY17 Budget	FY18 Request	FY18 Budget
1.0 ROADS & STORM DRAINS MAINTENANCE					\$4,950
1.1 Capital Maintenance & Repair	\$13,000		\$13,000	\$13,500	\$4,500
a. Road Paving & Patching	5,000	1,000	5,000	5,000	\$1,000
b. Stormwater Maintenance & Improvements	5000	0	5000	5000	\$0
c. Snow Removal	3000	3000	3000	3500	\$3,500
d.					\$0
1.2 Contingency	\$1,300		\$1,300	\$1,350	\$450

The outcome is that the taxable budget amount is reduced to the delta between the funds requested and funds on hand.

One-time Requests:

The committee chair is responsible for submitting a Budget Request Form for CFY+1 project expenses. This amount is the “CFY+1 Request” for the upcoming fiscal year. The Budget Request Form should be accompanied by a preliminary quote(s), a draft project scope statement, community/stakeholder input and draft project plan.

A One-time Request could appear in multiple budget years if additional funds are needed. In the example below after additional analysis and planning the fire ramp requires additional funds and the dummy project was completed under budget. The board should make a recommendation to the community if unused project funds should be applied to another approved project or held for future use in the general fund or road repaving.

Examples:

EXPENDITURES	FY16 Budget	FY16 Actuals	FY17 Budget	FY18 Request	FY18 Budget
2.2 Parks & Amenities	\$25,000	\$15,000	\$34,000	\$15,000	\$5,000
a. Fire Ramp Repair / Improvement	0		\$29,000	\$15,000	\$15,000
b. Augusta Park Feasibility Study	0		\$5,000	\$0	\$0
c. Dummy Improvement Project	25,000.00	15,000.00	-	-	(10,000.00)

In this example the board has decided to repurpose Dummy Improvement Project funds to the Fire Ramp, so only \$5,000 in additional funds is required from tax revenue.

EXPENDITURES	FY16 Budget	FY16 Actuals	FY17 Budget	FY18 Request	FY18 Budget
2.2 Parks & Amenities	\$25,000	\$15,000	\$34,000	\$25,000	\$15,000
a. Fire Ramp Repair / Improvement	0		\$29,000	\$15,000	\$15,000
b. Augusta Park Feasibility Study	0		\$5,000	\$0	\$0
c. Dummy Improvement Project	25,000.00	15,000.00	-	-	(10,000.00)
d. Retain Dummy Project Funds for Road Repaving			-	10,000.00	10,000.00

In this example the board is recommending to retain underspent funds for future use, so in order to complete the fire ramp project the entire \$15,000 is required from tax revenue.

Terms –

CFY – Current Fiscal Year

Budget – The funding amount presented to and approved by the community.

Actual – The amount spent in support of the budget line item.

Request – The funding amount requested by the committee chair in support of planned or forecasted expenditures.