

## 2. BUDGETING

### 2.4 Budget Compliance

#### 2.4.2 Budget Process

2.4.2.10 The budgetary process encompasses a number of different activities and decisions over a period of several months. See the budget calendar below for cities and counties. Similar steps can be used to develop all types of budgets.

#### BUDGET CALENDAR

Steps in Budget Preparation	Cities	Counties
<b>1 BUDGET ESTIMATES</b> Department heads are requested by clerk to prepare estimates of revenue and expenditures for the next fiscal year.	On or before the second Monday of the fourth month prior to the beginning of the city's/town's next fiscal year (i.e., September).  RCW <a href="#">35.33.031</a> (2nd, 3rd, towns, 1st class<300,000) RCW <a href="#">35.34.050</a> (Biennial Budgets) RCW <a href="#">35A.33.030</a> (Code Cities) RCW <a href="#">35A.34.050</a> (Code Cities - Biennial Budgets)	On or before the second Monday in July.  RCW <a href="#">36.40.010</a>
<b>2 BUDGET ESTIMATES</b> Estimates are to be filed with the city clerk/county auditor.	On or before the fourth Monday in September.  RCW <a href="#">35.33.031</a> (2nd, 3rd, towns, 1st class<300,000) RCW <a href="#">35.34.050</a> (Biennial Budgets) RCW <a href="#">35A.33.030</a> (Code Cities) RCW <a href="#">35A.34.050</a> (Code Cities - Biennial Budgets)	On or before the second Monday in August.  RCW <a href="#">36.40.010</a>
<b>3 PROPOSED PRELIMINARY BUDGET</b> Estimates are presented to the chief administrative officer for modification, revision, or additions.	On or before the first business day in October.  RCW <a href="#">35.33.051</a> (2nd, 3rd, towns, 1st class<300,000) RCW <a href="#">35.34.070</a> (Biennial Budgets) RCW <a href="#">35A.33.050</a> (Code Cities) RCW <a href="#">35A.34.070</a> (Code Cities - Biennial Budgets)	County auditor or chief financial officer shall prepare the county budget.  RCW <a href="#">36.40.040</a>

<p>4 <b>PRELIMINARY BUDGET</b> Chief administrative officer provides the legislative body with:</p> <p>(a) Estimates of revenues (setting of levies),</p> <p>(b) Clerk's proposed preliminary budget, and</p> <p>(c) Copies of the preliminary budget are made available to the public.</p>	<p>(a) Revenue estimates (setting of levies) due no later than the first Monday in October.</p> <p>RCW <a href="#">35.33.135</a> (2nd, 3rd, towns, 1st class&lt;300,000) RCW <a href="#">35.34.230</a> (Biennial Budgets) RCW <a href="#">35A.33.135</a> (Code Cities) RCW <a href="#">35A.34.230</a> (Code Cities - Biennial Budgets)</p> <p>(b) Preliminary budget at least 60 days before the beginning of the next fiscal year and,</p> <p>(c) Copies are made available to the public not later than six weeks before the beginning of the city's next fiscal period.</p> <p>RCW <a href="#">35.33.055</a> (2nd, 3rd, towns, 1st class&lt;300,000) RCW <a href="#">35.34.080</a> (Biennial Budgets) RCW <a href="#">35A.33.052</a> (Code Cities) RCW <a href="#">35A.34.080</a> (Code Cities - Biennial Budgets)</p>	<p>(a) Revenue estimates are part of the preliminary budget process and due when preliminary budget is due. See next section.</p> <p>RCW <a href="#">36.40.040</a>; RCW <a href="#">36.40.090</a></p> <p>(b) Preliminary budget submitted by the auditor to the Board of County Commissioners on or before the 1st Tuesday in September for adoption of the preliminary budget.</p> <p>(c) Copies of the preliminary budget are available to the public not later than two weeks immediately preceding the first Monday in October.</p> <p>RCW <a href="#">36.40.050</a>; RCW <a href="#">36.40.060</a></p>
<p>5 <b>NOTICE OF PUBLIC HEARING</b> Clerk publishes notice of filing of preliminary budget with city clerk and publishes notice of public hearing on final budget once a week for two consecutive weeks.</p>	<p>Published no later than the first two weeks in November.</p> <p>RCW <a href="#">35.33.061</a> (2nd, 3rd, towns, 1st class&lt;300,000) RCW <a href="#">35.34.100</a> (Biennial Budgets) RCW <a href="#">35A.33.060</a> (Code Cities) RCW <a href="#">35A.34.100</a> (Code Cities - Biennial Budgets)</p>	<p>Notice shall be published once each week for two consecutive weeks immediately following adoption of the preliminary budget.</p> <p>RCW <a href="#">36.40.060</a></p>

<p><b>6 PUBLIC HEARING</b> Budget hearing is held.</p>	<p>On or before the first Monday of December, and may be continued from day to day but not later than the 25th day prior to the commencement of the new fiscal year.</p> <p>RCW <a href="#">35.33.071</a> (2nd, 3rd, towns, 1st class&lt;300,000) RCW <a href="#">35.34.110</a> (Biennial Budgets) RCW <a href="#">35A.33.070</a> (Code Cities) RCW <a href="#">35A.34.110</a> (Code Cities - Biennial Budgets)</p>	<p>On the first Monday in October.</p> <p>RCW <a href="#">36.40.070</a></p>
<p><b>7 FINAL BUDGET</b> Adoption of budget for next fiscal year.</p>	<p>Following the conclusion of the hearing and prior to the beginning of the fiscal year, the legislative body shall by ordinance adopt the budget in its final form.</p> <p>A copy of the finalized budget must be sent to the Association of Washington Cities. RCW <a href="#">35.33.075</a> (2nd, 3rd, towns, 1st class&lt;300,000) RCW <a href="#">35.34.120</a> (Biennial Budgets) RCW <a href="#">35A.33.075</a> (Code Cities) RCW <a href="#">35A.34.120</a> (Code Cities - Biennial Budgets)</p>	<p>At the conclusion of the budget hearing, the county legislative authority shall by resolution adopt the budget.</p> <p>A copy of the finalized budget must be sent to the State Auditor's Office. RCW <a href="#">36.40.080</a></p>

### Which funds need budgets?

- 2.4.2.20 Generally, all governmental funds including the general fund (also called the current expense fund) and special revenue funds of a local government must have annual/biennial appropriated budgets. Most debt service and capital project fund budget requirements are met by the continuing appropriation contained in the enabling legislation. These funds may not need annual/biennial appropriated budgets.
- 2.4.2.30 Expenses of proprietary, internal service and fiduciary funds are not considered to be appropriations and therefore are only subject to budgeting requirements as required by the government's policy.
- 2.4.2.40 Fiduciary and permanent funds are subject to the trust agreement and their use is restricted by such.
- 2.4.2.50 Local governments may separately account for different aspects of a legal fund in several "sub-funds" on their general ledger for managerial purposes and roll-up these funds for financial reporting purposes. The minimum level of detail for budget purposes is the legal fund level.

- 2.4.2.60 Budgeted expenditures (or estimated expenses) should be limited to the amount of budgeted revenues plus the beginning fund balance. Governments are not authorized to appropriate (or estimate) more resources for expenditures than are available. Note that this requirement only applies at the legal fund level. Entities may budget a negative fund balance for departments, programs or sub-funds so long as the combined fund balance for the legal fund is positive.

**What constitutes appropriations?**

- 2.4.2.70 All final amounts budgeted as expenses, expenditures, transfers and other financing uses for a fund or department is the appropriation. The government cannot legally exceed this amount. Ending fund balance and nonrevenues (BARS 508 and 58X, if shown on the budget) would not be considered an appropriation. Only line items shown as expenditures (BARS 51X-57X and 59X) would be considered appropriations.