

Introduction to County Budgeting



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What is a county budget?

- County crystal ball
- A policy document adopted by resolution by BOCC
- Reflection of anticipated revenues and expenses
- A roadmap of how county will provide essential county services
- A promise to the public



CANYON COUNTY IDAHO

**ADOPTED BUDGET
FISCAL YEAR 2024**

- What is the overall financial health of the county?
- Is the service mandated or is it discretionary?
- Will it create efficiencies?
- Will it require more staffing?
- Does it have a dedicated revenue source?
- Will it be a one-time expense or an ongoing expense?
- Does it meet current and future growth projections?

- Sales tax revenue sharing is steady but liquor fund growth is flatlining
- ARPA funds to be expended by end of calendar year 2026
- Employee recruitment and retention
- Secure Rural Schools reauthorized only through 2026
- Local transportation funding enhancements:
 - No more LILB bridge funding
 - Strategic initiatives HDA distribution was significantly reduced

Budget Development Timeline



May 4th	May 18	Aug 3rd	Before Aug 17	Aug 17	Sept 8
County clerk distributes budget forms	Budget forms due back to county clerk	Clerk submits suggested budget to county commissioners	County commissioners approve tentative budget	Deadline to public tentative county budget	Deadline to hold budget hearing and approve county budget

Collaborative County Budget Process



County Budget Development Terms

Suggested Budget

I.C. §31-1603

April – May

County clerk's budget recommendation showing anticipated revenues and expenditures for the ensuing budget year

Tentative Budget

I.C. §31-1604

June – July

BOCC's modifications to suggested budget which sets the expenditure and revenue ceiling for the final approved budget

Approved Budget

I.C. §31-1605

Aug – Sept.

Final budget adopted by BOCC establishing expenditure limits and estimated revenues for the ensuing budget year

Roles & Responsibilities

BOCC

- Meets with dept. heads and elected officials
- Sets tentative budget
- Approves final budget
- Approves claims
- Opens/amends budget as needed

Clerk

- Creates and distributes budget forms
- Coordinates collection of budget information
- Meets with dept. heads and elected officials
- Prepares suggested budget
- Monitors and reports on county budget

Elected Officials

- Submits requested budget info to clerk
- Meets with clerk and BOCC
- Informs clerk and BOCC of budget status

Dept. Heads

- Submits requested budget info to clerk
- Meets with clerk and BOCC
- Informs clerk and BOCC of budget status

County Revenue Categories

Property Tax Levies

- Current Expense Levy
- Justice Levy
- District Court Levy
- Revaluation Levy
- Road & Bridge Levy
- Judgements
- Etc.

Intergovernmental

- Sales Tax Rev Share
- Liquor Funds
- Highway Funds
- Election Consolidation
- PILT
- SRS
- Etc.

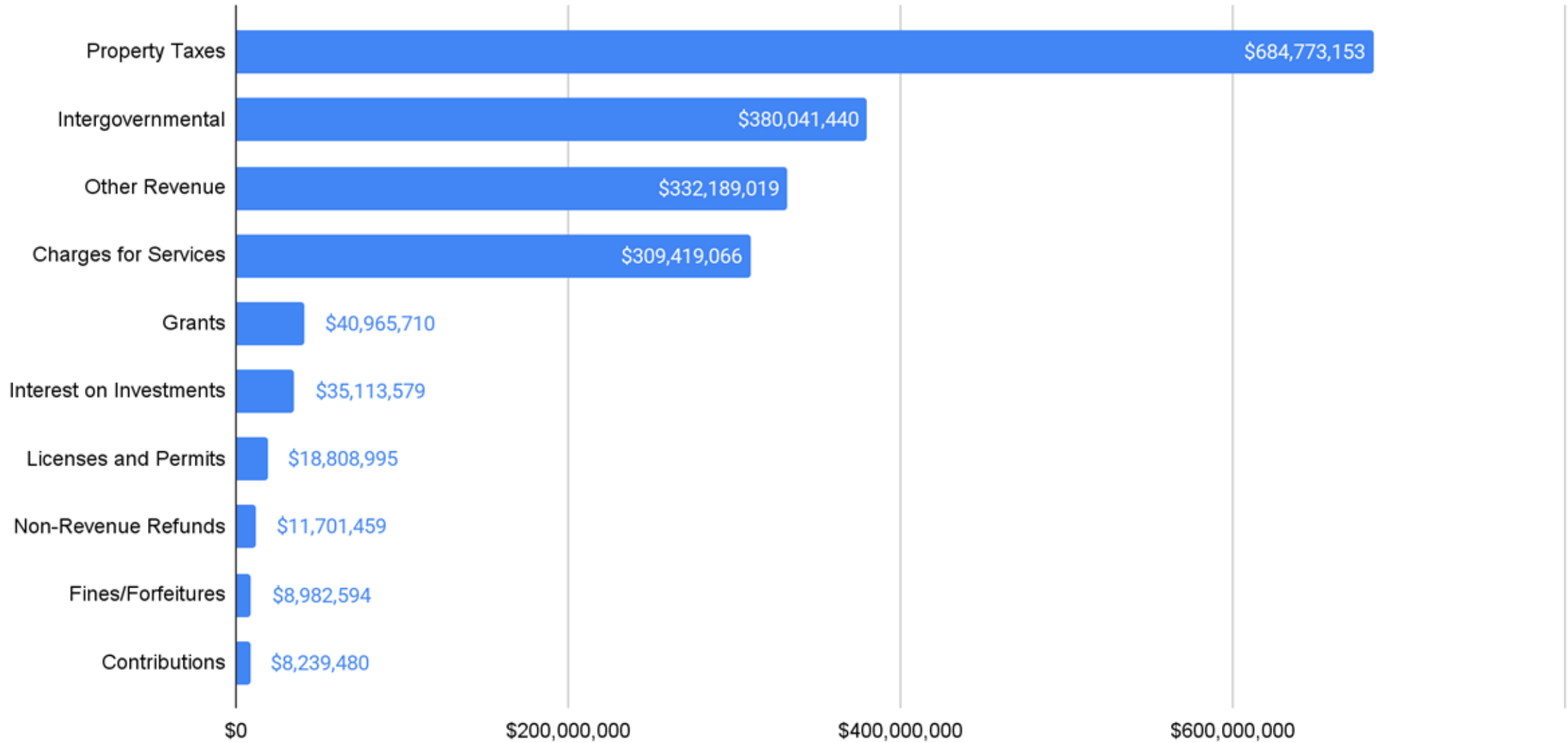
Fees and Fines

- District Court Fees
- DMV Fees
- Recording Fees
- Solid Waste Fees
- P&Z/Building Fees
- Mapping Fees
- Etc.

Fund Balance

- Reserves (cash basis)
- One time savings
- Unassigned
- Dedicated
- Etc.

County Revenues, FY 2023



General Revenues

- Non restricted funds that can be used for any general purpose
- Examples:
 - Sales Tax Revenue Sharing
 - PILT
 - Wind and Solar Tax

Dedicated Revenues

- Restricted funds that can only be used for specific purposes
- Examples
 - Highway User Revenue
 - District Court Fees
 - Enterprise Fees
 - Secure Rural Schools

Property Tax Budget Calculation

$$\begin{aligned} & \text{Base Property Tax Budget} \times 1.03 \\ & + (90\% \text{ New Construction Mkt Val} \times \text{Preliminary Levy Rate}) \\ & + \text{Previously Forgone Property Taxes} \\ & = \text{Maximum Property Tax Budget} \end{aligned}$$

Reminder #1

Base budget + 3% plus new construction \leq 8%

Reminder #2

Budgeted forgone to base budget cannot exceed 1% of base property tax budget, included in future base budgets

Reminder #3

May budget 3% forgone for one-time capital projects; does not go to base

- Statutory Fees
 - Set by Idaho Code
 - Court fees
 - Driver license fees
 - Recording fees
- County Fees
 - Set by BOCC
 - Must be related to and not exceed actual cost of providing service (Idaho Code §31-870)
 - Solid waste fees
 - Vehicle registration and title fees
 - P&Z, building, development fees

- Example of federal intergovernmental revenues:
 - PILT – county only, general use
 - SRS – county, highway district, and school district, dedicated use
- Examples of state intergovernmental revenues:
 - Sales Tax
 - Revenue sharing – general use
 - Property tax replacement – general use
 - Election fund – dedicated use
 - Liquor Fund – 50/50 general/dedicated use
 - Highway User Revenue – dedicated use

Examples of County Budget Funds

- General or Current Expense
- Airport
- Ambulance
- Ad Valorem (Revaluation)
- Justice
- Ignition Interlock
- District Court
- Election Consolidation
- Fairgrounds and Buildings
- Health District
- Historical Society
- Non Medical Charity
- Trusts
- Drug Court
- Road & Bridge
- Community College
- Parks & Recreation
- Pest Control
- Snowmobile
- Solid Waste
- Tort
- Veterans' Memorial
- Waterways
- Noxious Weed
- 911 Emergency Communications
- EMS
- Enterprise Funds
- Capital Facilities Fund

County Expense Categories

"A" Budget



- I.C. §31-1604(1)
- CEO Salaries
- Employee Salaries
- May Include Benefits

"B" Budget



- I.C. §31-1604(1)
- Operating Expenses
- Supplies
- Equipment
- Travel
- Training, Events, Etc.
- May Include Benefits
- May Include Capital

"C" Budget



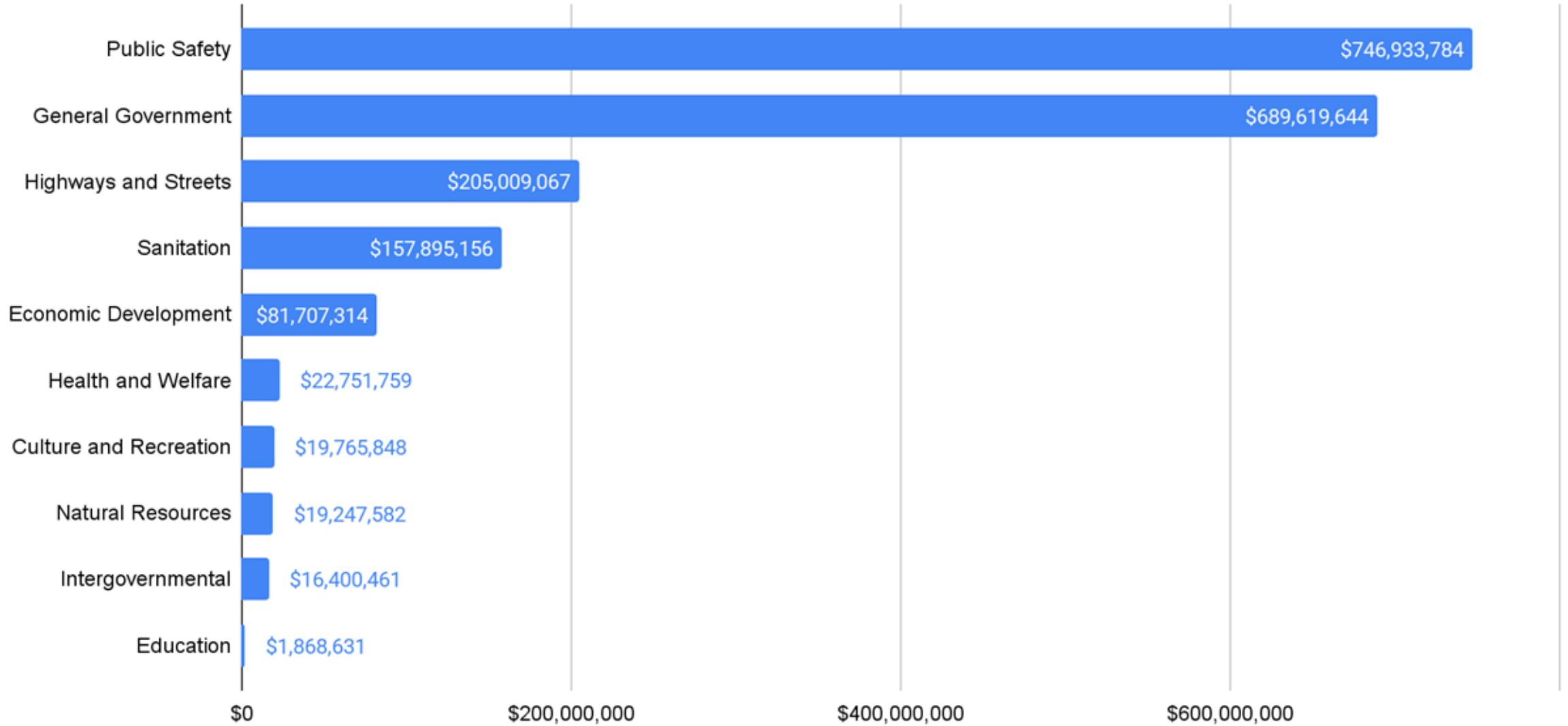
- Optional Category
- Capital Expenses
- Facility Upgrades
- Long Term Leases
- Design Costs
- Construction Costs

"D" Budget



- Optional Category
- Benefit Expenses
- Payroll Taxes
- Retirement
- Health Insurance
- Workers Comp
- Unemployment

County Expenditures, FY 2023



- What is in the budget is “full compensation” for their service
- No bonuses and no reductions
- Evaluate current needs: does compensation match current responsibilities?
- IAC Annual Salary Survey: <https://idcounties.org/iac-salary-survey/>
- Idaho Code §31-3101, §31-3106, and §31-816

- BOCC may make general reserve appropriations, not to exceed 5% of the Current Expense and Justice Fund Budget (Idaho Code §31-1605 and §63-805)
- Emergency expenditures may be made by unanimous resolution of the BOCC (Idaho Code § 31-1608)
 - May use any and all funds in the county treasury
 - May incur debt to address emergency
 - Funds must be paid back after the emergency

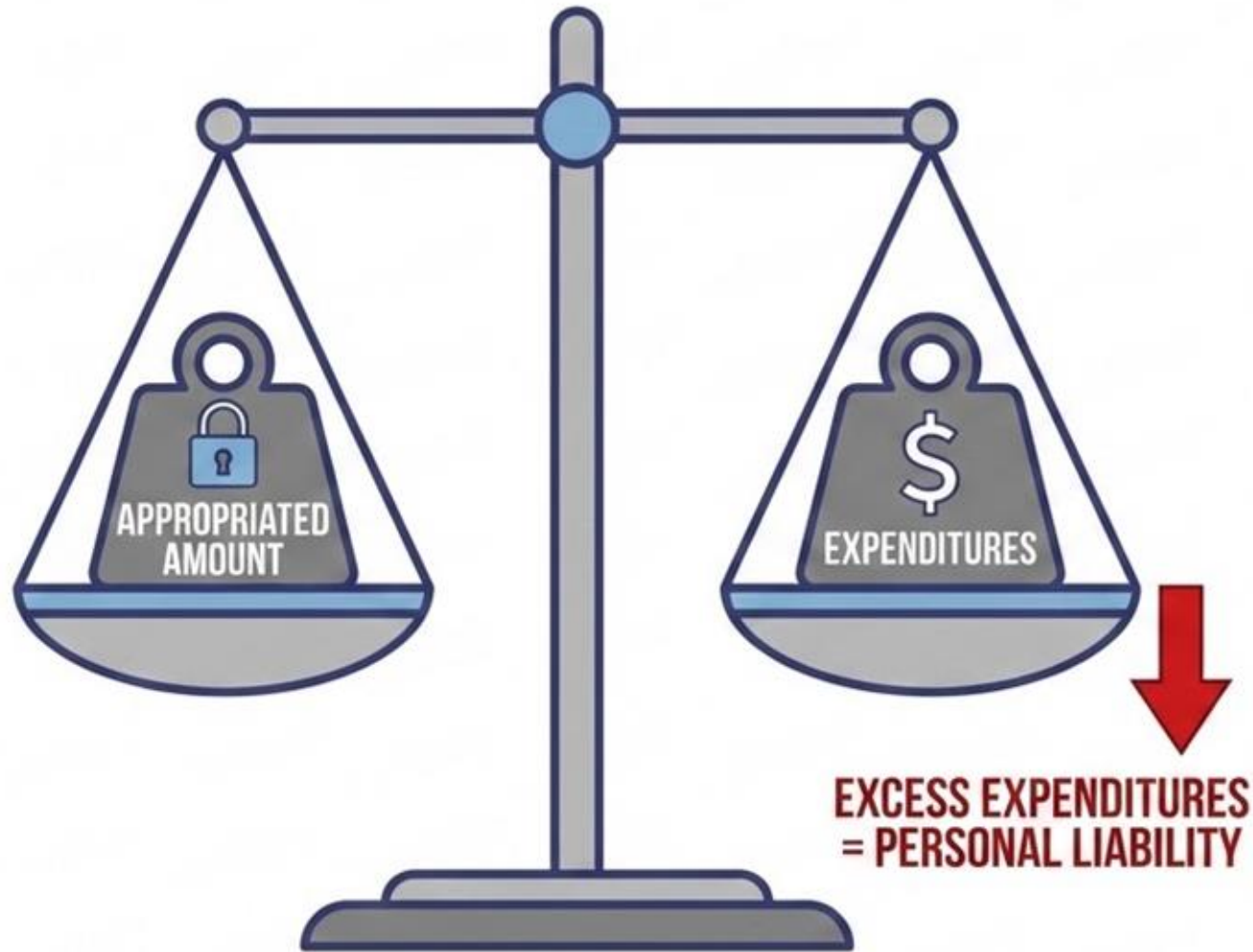
The Basics of Managing the Budget

- #1 You have a fiduciary responsibility to safeguard public funds
- #2 Expenditures cannot exceed revenues, applied to correct line item
- #3 Budget amendments must be done in public and follow the law
- #4 Appropriations are year-to-year
- #5 You cannot transfer levied funds to another fund (I.C. §31-1508)
- #6 Communicate, communicate, communicate

- #1 Your department's/office's ability to spend is limited by the budget
- #2 Budgets are subject to unforeseen obligations out of your control
- #3 Property taxes cannot be increased mid budget year
- #4 If it isn't in your budget, you can't spend it (unanticipated revenue)
- #5 Just because it is in your budget doesn't mean you can spend it
- #6 Cooperation among county officials is essential

- BOCC to examine, settle, and allow legal claims against the county (Idaho Code §31-809)
- Claims must be accompanied by receipt (Idaho Code §31-1501)
- Claims must be submitted within one year (Idaho Code §31-1501)
- BOCC approves checklist of allowed bills/claims (Idaho Code § 31-1502)
- Treasurer to only issue warrants (checks) for allowed bills/claims

Staying Within Budget: A Legal Obligation



- Expenditures must be limited to the respective appropriated amounts.
- Officials and employees are personally liable for any excess expenditures.
- See Idaho Code §31-1606 and §31-1607.

- What is GASB?
 - Government Accounting Standards Board establishes accounting reporting standards at the state and local level (Idaho Code §31-1509)
 - GASB's purpose is to assist governing bodies to evaluate their operation and provide the public with easier to read reports due to the standardization of reporting
 - Each department must keep track of all assets/inventory according to the county policy
 - Key component of annual audit

- The county must have an annual audit performed by outside auditors (Idaho Code §31-1701)
- Annual audit must be performed by June 30th (Idaho Code §67-450B)
- Annual audit summary must be published within 30 days of completion (Idaho Code §31-819)
- Other possible audits by outside auditors:
 - Waterways/Snowmobile
 - Grants
 - PERSI
 - Workers Compensation

- Central registry and reporting portal requirements for counties (Idaho Code §67-1076):
 - Manual adopted by committee
 - Due December 1st of each year
 - Administrative information (governing board, contact info, fiscal year, etc.)
 - Financial information (most recently adopted budget, unaudited comparison of budget to actual for prior fiscal year, date of last audit, most recent audit)
 - Local Transparent Idaho now has county budget and fund balance information (all local governments must go live by 2025)

<https://localtransparency.idaho.gov>:



Changes for 2026

1. The Annual Financial Transparency Report (Excel spreadsheet) is no longer required
2. Local Government Registry submissions will now need to be completed by July 1
3. Employee salary data reporting will resume
4. We are no longer able to accept auditor letters in lieu of an audit

- **Role of the Board of County Commissioners**
 - Idaho Code §31-809: Examine and audit accounts
 - Idaho Code §31-1701: Full and complete external audit
 - Idaho Code §31-810: Examine and settle allowable claims
- **Role of the County Clerk/Auditor**
 - Idaho Code §31-1602: Ensure budget compliance
 - Idaho Code §31-1611: Quarterly financial statements to BOCC
 - Idaho Code §31-1511: Jointly issue and sign warrants with the county treasurer
 - Idaho Code §31-2304: Keep accounts current with the county treasurer
 - Communicate with treasurer when large expenditures are due
- **Role of the County Treasurer**
 - Idaho Code §31-2113: Detailed report to BOCC
 - Idaho Code §31-2112: Monthly/annual settlement of accounts
 - Idaho Code §31-1511: Jointly issue and sign “warrants” (or checks) with the clerk/auditor

- Monitor credit card use for misuse of public funds (Idaho Code §18-5701).
- Watch for theft.
- In Accounts Payable, look for fake invoices, companies, or double billing.
- Ensure Separation of Duties.

- Adopt and follow internal controls
- Comply with annual outside audit and other financial reporting requirements
- Follow recommendations of outside auditor
- Develop, adopt, and update county policies to prevent fraud
- Don't just look for fiscal fraud (supplies, fuel use, etc.)