

Yellow Medicine County
Budgets
Narrative and Observation
FYE 12/31/2007

Document updated by Michelle May, County Finance Manager, 11/12/2015

Budget Process:

The budget process for the year begins with the issuance of the timeline to each of the departments. The County Finance & Administration Office issues IFS budget worksheets to all Revenue, R&B, and Ditch Fund department heads. By late July all departments turn their first draft budgets into the County Administrator. The Finance Manager enters these budgets into IFS except for Human Services. Human Services' budget is entered into IFS by the Fiscal Supervisor. This is done by the first week in August. Changes are made to the draft budget as information comes in until the final budget is submitted for approval. Once the final budget is prepared, the County Board approves the proposed budget and related levy in December.

Departments are supposed to base their expenditure budgets on actual projected costs of operations. Inflating projected expenditures to provide a cushion for expenditures that may occur is strongly discouraged. Yellow Medicine County is always working to reduce expenditures or increase revenues during the year.

If after the original budget is approved additional appropriations are required due to a larger increase in actual costs than originally estimated, unforeseen needs, approval of grants, or acceptance of gifts, the department head prepares a 'Budget Change Request Form' which includes the department, department head's name, date of request, IFS account number, account name, amount and a reason for the request. For departments with no department head the County Finance Manager or Administrator prepares requests as mentioned above. If the reason for the increase is easily explained the request is approved by the board on the consent agenda. Otherwise, the department head must make an appointment with the board to explain the need. Budget reallocations within a department budget can be made with County Administrator approval if they are under \$1,000. If they are over \$1,000 the County Board needs to approve reallocations. Any increase or decrease in a department's budget requires board approval.

Entering the Budget into IFS:

The Finance & Administration Office enters budget information into the County's Integrated Financial System (IFS) from the original budget worksheets prepared by the Revenue, R&B, and Ditch Fund department heads. The County Administrator and the County Finance Manager use this information as a working budget. Changes are made to the working budget as information comes in until the final budget is submitted for approval. Before final approval the department heads review any information that is entered. The County Finance Manager ties the board approved budget to the IFS budget printout.

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Uses of the IFS Budget:

The Revenue Funds Revenue/Expenditure guidelines are used to prepare a monthly by department report for the boards review. Quarterly reports are given to all department heads showing current results versus budget as well as a percent of budget used. The Road & Bridge Engineer also receives the same report on a monthly basis. The County Finance Manager and the County Administrator each receive a complete quarterly report for all funds showing current results versus budget and the percent of budget used. The Finance Manager and Administrator review the quarterly reports for the Revenue, Road & Bridge, Human Services, and Ditch Funds and question large deviations.

Information is taken from IFS system and incorporated to the financial statements. Working trial balances prepared by the system include the budget amounts. The working trial balance information is then provided to the State Auditors for fiscal audit procedures.