**Creating, Adopting, and Submitting Your Budget**

This document is intended to assist you with creating, adopting, and submitting your budget to the county clerk in accordance with the Kansas budget law (K.S.A. 79-2925 *et seq*.).

**Creating the Budget**

Immediately following the “Instructions” tab of your budget workbook are three input tabs. Before doing anything else, complete these tabs to the extent that you are able. Information keyed into cells on the pages of these tabs (municipality and county names, funds names, numbers) will flow throughout the budget workbook.

Input information only into green cells. Use only whole numbers when inputting dollar amounts (round up or round down). Do not delete unused tabs (will break links and create reference errors elsewhere within the budget workbook).

inputPrYr tab

You already have everything you need to complete this page. Start at the top of the page. The light blue cells describe where the information may be found. Information is keyed into the green cells.

On this page all input information, except for the year being budgeted, can be found on the certificate page and the summary budget page (notice of hearing page) of the budget adopted last summer. The only exception to the foregoing would be if you have amended one or more funds, in which case the amended expenditure number would be input for each fund amended.

inputOth tab

You already have *some* of the information needed to complete this page and by the end of the June or first of July you will have everything you need to complete this page and your draft budget. Start at the top of the page. The light blue cells describe where the information may be found. Information is keyed into the green cells.

You will need to wait until sometime approaching the end of June for the county clerk’s budget information numbers. The county clerk should have this information to you by July 1, but it is often provided well before that date. You can, however, go ahead and complete the mill rate and prior year total assessed valuation cells by use of your county’s prior year tax levy sheet, which can be found at:

(<http://www.admin.ks.gov/offices/chief-financial-officer/municipal-services/county-tax-levy-sheets>)

The county treasurer’s budget information (various budget year tax estimates for tax levy funds) will be sent to you on or before May 10. Around that same time or just a bit later the League of Kansas Municipalities will post to its website ([www.lkm.org](http://www.lkm.org)) its gas tax estimates.

Finally, you already have the fund expenditure amounts for the budget adopted the summer before last. Simply input information off of the certificate page of that budget. The only exception to the foregoing would be if you have amended one or more funds, in which case the amended expenditure number would be input for each fund amended.

inputBudSum tab

On this page you have six green cells into which you will input information. Everything input on this page flows to the sum tab page to the notice of budget hearing that will eventually be published in the newspaper to advise taxpayers of the upcoming budget hearing.

In the first cell you key in the name of a municipality official and in the second cell that official’s title (e.g. “City Clerk,” “Mayor,” etc.). In the next three green cells you will input the date, time, and location of the upcoming budget hearing. Finally, in the last cell you will input the location where a taxpayer may come to review a copy of the proposed budget.

cert tab

There is no information for you to input on this page. Fund names, page numbers, and dollar amounts flow into this page from elsewhere within the budget workbook. When the budget is adopted make sure that one or more governing body members sign this page and that the signed page is sent to the county clerk along with the rest of your budget.

computation tab

There is no information for you to input on this page. Dollar amounts flow into this page from elsewhere within the budget workbook. The dollar amount at the bottom of this page represents the amount of total tax dollars that you may levy without having to publish a “notice of vote” following adoption of your budget.

This page is a part of the budget that is provided to your county clerk.

Mvalloc tab

There is no information for you to input on this page. Fund names and dollar amounts flow into this page from elsewhere within the budget workbook. The purpose of this page is to compute and send off to your tax levy fund pages a proportionate distribution of the county treasurer’s several budget year tax estimates (the tax estimates that you keyed in on the inputOth tab page).

This page is a part of the budget that is provided to your county clerk.

Transfers tab

This is the page where you will list all of your actual and anticipated transfers between funds of the budget and the lawful authority for each of those transfers (the adjacent tab entitled “TransferStatutes” has a listing of statutes authorizing various transfers along with a thumbnail description of each statute). Totals from this page flow to the summ tab page. “Adjustments” to your current and budget year columns are required when your form shows in one or both of those years a proposed or actual transfer from a non-budgeted fund. In those cases simply input in the designated green cell for such year the total of those transfers.

It is recommended that you complete this page after you have finished making tweaks to your proposed budget.

This page is a part of the budget that is provided to your county clerk.

debt tab

On this page you will input information about each of your general obligation bond and revenue bond issues, if any, and any other outstanding debt-creating obligations (e.g. KDHE loans), but not including lease-purchase agreements (next tab of the budget workbook). Information for this page may be found, at least in part, on the same page of the current year budget. Otherwise, please check the amortization schedule of each bond issue and any loan-related documents.

This page is a part of the budget that is provided to your county clerk.

lpform tab

With some budget workbooks this tab is combined with the debt tab. Regardless, as to your lease-purchase agreements you will input information that may be found on the same page of the current year budget and your lease-purchase agreement and related documents.

This page is for information concerning lease-purchase agreements. You do not need to input information concerning straight lease agreements (i.e. no intent to purchase).

This page is a part of the budget that is provided to your county clerk.

Library Grant tab

There is no information for you to input on this page. If your municipality levies tax dollars in support of a local library information will flow into this page from elsewhere within the budget workbook.

If you do support a local library please make sure to include this page with the adopted budget submitted to the county clerk as State Library personnel will utilize it in determining whether your local library qualifies for the State Library’s annual grant distribution.

Fund pages – budgeted

*Budgeted* funds (as opposed to *non-budgeted* funds) are funds for which you must adopt a spending limit for the upcoming budget year. The law authorizes a levy of property tax dollars in support of these budgeted funds, or it does not. General fund, debt service fund, and library fund are examples of budgeted tax levy funds. Utility funds, special highway fund, and golf fund are examples of funds for which you must adopt a budget year spending limit, but for which you may not levy property tax in support.

On each budgeted fund page you will see a worksheet with three columns. These columns represent the “actual year” (the budget year most recently completed), the “current year” (this year, right now), and the “proposed budget year” (next year).

The numbers in the left-hand column (actual year activity) are all real numbers, as opposed to the estimates that you will use in the other two columns. In the actual year column key in the fund unencumbered cash as of January 1 of the prior year, key in what was actually received in support of the fund, and key in what was actually expended out of the fund.

Actual year information (receipts and expenditures) will be found in your own records. Also, in early January of each year you will receive a report from the county treasurer showing distributions for the preceding year for each of your budgeted tax levy funds, and by the first week of January payments from the State to counties and cities (e.g. sales tax, liquor tax, State debt setoff payments) for the entire preceding year may be found on the Municipal Services website at:

(<http://www.admin.ks.gov/offices/chief-financial-officer/municipal-services/confirmation-of-state-payments>).

Your very best actual year information, if available, will be the numbers determined by your auditor.

Current year information – both receipts and expenditures – represent your *very best guess* as to where you be with each line item as of December 31 of this year. Whether we’re looking at the federal government, state government, counties or cities, down to the smallest taxing unit in Kansas, budget development is pretty much the same at each level: your best guess as to where your numbers will be at a given point in time.

Suggestion: Be conservative with your estimates; err on the side of being a bit low on the receipts and err on the side of being a bit high on the expenditures.

The good thing with the current year of your budget is that you have several months’ worth of activity with which to draw conclusions.

For your proposed budget year receipts please use your very best guess for each line item. Again, if you’re going to be wrong on your receipt numbers (they will never be exactly the same as what you project) it’s better to be a bit low than to be overly optimistic.

For your proposed budget year expenditures the total of your line-item estimates is generally going to be higher than what you actually expect to expend during the budget year.

* For your tax levy funds you will want to build up your expenditures to an amount which will bring in enough in property tax dollars and other receipts to insure that you have extra receipts roughly equal to what you’d like to carry over as unencumbered cash into the following year. Otherwise, if you budget your tax levy fund only to the amount you truly expect to expend in the budget year you will quickly eat through whatever unencumbered cash you have been carrying over from one year to the next, leaving you faced with the prospect of significant cutbacks in services, or tax increases, or both. (Exception to the foregoing: your library fund, a pass through fund where you likely intend to carry over little if anything from one year to the next.)
* For the budget year expenditures of your budgeted non-tax levy funds your expenditures should equal your budget year resources available, regardless of how much you expect to expend during the budget year. By budgeting in this manner you will comply with the Kansas budget law, which requires that budgeted expenditures equal resources available, and from a practical standpoint you will have maximum budget authority for each of these funds in the event you end up needing to expend more than expected. Obviously, you do not need to expend the total of what you budget and what goes unexpended simply rolls over to the next year.

All utilized fund pages are a part of the budget that is provided to your county clerk.

Fund pages – non-budgeted

The Kansas budget law sets forth a general rule that all funds of all municipality budgets must be “budgeted” (i.e. each of your funds must have a self-imposed spending limit). The legislature has, over time, created various exceptions to this general rule, authorizing certain funds for which a spending limit is not required. We call these funds “non-budgeted funds.” With non-budgeted funds your only limitations are that you expend for the purposes authorized by law, and that you expend no more than the amount of cash on-hand in the fund.

Your budget workbook will have one or more tabs entitled “nonbud.” Each tab contains a page with five columns. Each column represents the actual year of a non-budgeted fund. The respective laws authorizing non-budgeted funds typically provide that the fund is outside the budget law, but that actual year activity of the fund must be shown on the budget for the benefit of your taxpayers. Thus, for these funds you should key in the actual year beginning unencumbered cash, key in any receipts, and key in any expenditures.

All utilized non-budgeted fund pages are a part of the budget that is provided to your county clerk.

summ tab

There is no information for you to input on this page. This tab contains the notice of budget hearing and the budget summary of your proposed budget. Once your governing body has approved a proposed budget this is the notice that you take to the newspaper for publication to inform your taxpayers of the proposed hearing and of where they might come beforehand in order to view the complete budget.

This page is a part of the budget that is provided to your county clerk. The exception here would be if this page is a part of your proof of publication/affidavit of publication, in which case it is not necessary that it be provided to the county clerk.

Nhood tab

The neighborhood revitalization tab is for possible use by those cities which have authorized a neighborhood revitalization rebate effort. It is not required that those cities use this tab. What the formulas on this tab do is compute the estimated loss of property tax dollars to the respective tax levy funds and provide for each of those funds an increase in budget year expenditures estimated to match what will be lost due to the neighborhood revitalization program, thus increasing dollar-for-dollar the amount of property tax levied in support of each of those funds.

This page, if utilized, is a part of the budget that is provided to your county clerk.

Pub. Notice Option tabs

These tabs provide examples of what a municipality might publish following adoption of a budget which exceeds in total tax dollars to be levied the amount provided for on the computation tab page. The law does not provide how soon after budget adoption this publication shall be made, so please do so at your earliest convenience.

The publication of this page is a part of the budget that is provided to your county clerk.

Mill Rate Computation tab

On this page you will find a worksheet with various examples of how to determine a mill rate, how to determine a mill rate increase, the impact in dollars of a property tax increase on a representative taxpayer, etc. This page may be useful during proposed budget deliberations of the governing body as it seeks to fine-tune the budget.

**Adopting and Submitting Your Adopted Budget**

The Kansas budget law provides that on or before August 1 each the governing body of a municipality subject to the budget law shall put together a proposed budget for the following fiscal year. (K.S.A. 79-2927(a).)

A summary of the proposed budget (summ tab, above) is then taken to a weekly or daily newspaper of general circulation of the county where the municipality is located and published one time at least 10 days in advance of the public hearing on the proposed budget. (K.S.A. 79-2929.) Keep in mind that most newspapers require that the proposed summary budget be delivered to the newspaper several days in advance of when publication will occur. If you are ready to publish three weeks in advance of your scheduled hearing date, go ahead and have it published. 10 days is the minimum time between publication and public hearing, but there is no maximum length of time between publication and public hearing.

Prior to adopting the proposed budget the governing body will hold a public hearing held “for the purpose of answering and hearing objections of taxpayers relating to the proposed budget and for the purpose of considering amendments to such proposed budget.” (K.S.A. 79-2929.) The governing body is not required to make changes to the proposed budget based upon input of the public.

The public hearing should be held on or before August 15. (K.S.A. 79-2933.) The budget may be adopted by the governing body at any time after close of the public hearing and up to August 25. Note: it is not unusual for it to be necessary that the governing body hold its public hearing after August 15 or to adopt its budget after August 25, and in both cases this is lawful, though it should be not be made a practice. If you will not be delivering an adopted budget to your county clerk by August 25, please be sure to advise your county clerk of this circumstance and to keep your county clerk apprised of the proposed timeline for adoption.

Prior to adopting its budget the governing body may make changes to one or more of its budgeted funds. However, in the absence of re-publishing a proposed budget and starting the process all over again it may not increase the proposed expenditure authority of any fund, nor may it increase the proposed amount of tax levy support of any fund. (K.S.A. 79-2930(c).) On the other hand, the governing body may decrease the proposed expenditure authority of any fund and may decrease the proposed amount of tax levy support of any fund. Any of the fund numbers may go down from what was published, but none may go up unless the governing body wishes to start the process over again.

After the public hearing and after the governing body has made changes to the proposed budget, if any, it may approve the budget.

One or more governing body members should sign the final budget certificate page. A complete budget, including signed certificate page and proof of publication/affidavit of publication, should be delivered to the county clerk on or before August 25. If a notice of vote is required to be published it may not be available for delivery along with the complete budget; in this event simply provide a clipping of the publication to your county clerk as soon as possible.

Please check with your county clerk to see in what format (paper, .pdf, Excel) your county clerk wishes to receive your budget.

For help with building your budget or for anything related to your budget, please call or write to us. We will help you get to where you want to go. Roger Basinger at 785.296.8089 (roger.basinger@da.ks.gov) or Rogers Brazier at 785.296.2846 (rogers.brazier@da.ks.gov).