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The forum dedicated to helping you better understand your government

This week's question: " Part 2 – BUDGETS...The Process Begins "

To date we have used this forum to help educate and keep you informed all about the assessment process. However, your final tax bill is comprised of so much more. Our next effort is to help you understand the Town's budget process, how the town determines how much money it needs to operate, and then how much of that must be collected in taxes.

The budget process is a major function of any governing body, large or small (County, town, village and school). Monitoring a budget once it is adopted is an ongoing process to ensure spending does not exceed approved amounts. These guidelines first need to be set through budget preparation. For towns, with fiscal years running January to December, this process often begins in the summer for the following year's budget. In the coming weeks we will describe the budget routine in the Town of Newstead.

The first step is the distribution of worksheets to each department head in mid July. Prior year expenditures and current year to date expenditures for each department's budget lines are provided for review. Department heads put together their budget requests and return them to the Budget Officer (Supervisor) by the end of July. In the meantime, the Budget Officer compiles figures for other funds (Water Districts, Refuse, Drainage), as well as debt and interest for the town's funds, reserves for future capital projects, insurances, payroll costs, and other more general items. The Budget Officer also provides revenue projections for the budget, based on communications from the state, the courts, prospective grants, and town fees.

To determine how much to budget can be difficult. Each person taking part in the process may use historical information, future projections of costs such as fuel, utilities and interest rates. Foresight is very important, as each department head must anticipate extraordinary purchases their department may need in the upcoming year. For example, if the office copier is in need of replacement, it should be budgeted for so the funds are available to make the purchase. Likewise, if a debt is paid off in the current year, allowances for such debt can be eliminated in the coming year. The budget process is not just a matter of spitting out last year's budget with a few changes, but a diligent process that requires attention to detail and proper assessment of needs and a realistic view of costs. These initial steps facilitate preparation of the Tentative Budget, which is later presented to the Town Board for review. Description of the process will continue in the next article.

Articles are archived on our website www.erie.gov/newstead.

Please submit questions to aac@townofnewstead.com