

12.400

**BUDGET ORDINANCE
VILLAGE OF SHEPHERD,
MICHIGAN ord. no. 2215 eff. July
25, 1982**

An Ordinance to establish a budget system for the Village of Shepherd, County of Isabella, State of Michigan; to define the powers and duties of the Village officers in relation to that system; to provide for an annual appropriation measure; to prescribe a disbursement procedure; and to provide remedies for refusal or neglect to comply with the requirements of this Ordinance.

THE VILLAGE OF SHEPHERD ORDAINS:

12.401

Sec. 1. TITLE.

This Ordinance shall be known as the Village of Shepherd Budget Ordinance, (ord. no. 2215 eff. July 25, 1982)

12.402

Sec. 2. FISCAL YEAR.

The fiscal and budget year for the Village shall begin on March 1 and end on February 28 of each year.
(ord. no. 2215 eff. July 25, 1982)

12.403

Sec. 3. FISCAL OFFICER.

The Village Clerk shall be the Village fiscal officer and shall perform the duties of the fiscal officer enumerated in this Ordinance.
(ord. no. 2215 eff. July 25, 1982)

12.404

Sec. 4. BUDGET DOCUMENT.

The fiscal officer shall consolidate the estimated expenditures together with the amounts of expected revenues of each fund and shall assure that the total of estimated expenditures, including an accrued deficit in any fund, does not exceed the total of the expected revenues including an unappropriated surplus. The budget shall consist of the following parts:

PART 1. STATEMENT OF ASSETS AND LIABILITIES Part 1 shall contain a summary statement of all assets and current and longterm liabilities at the close of the last completed fiscal year. The assets shall exclude fixed assets (land, buildings, equipment) but shall include for each fund the surplus of unencumbered and unreserved balances, reserves by purpose, monies receivable, and investments.

The liabilities shall include accounts payable, contracts payable, amounts due to other funds and agencies, bonds and interest payable, court orders payable, taxes or revenues collected in advance, and long-term or contingent liabilities.

PART 2. REVENUES. Part 2 shall contain detailed estimates of all anticipated revenues applicable to proposed expenditures; summary statements of anticipated revenues classified by fund and source; comparisons between revenues actually received during the last completed fiscal year, those received and anticipated for the current fiscal year, and those anticipated for the ensuing fiscal year; the estimated surplus or obligated balance of the current fiscal year, and any additional information required by the Village Council.

PART 3. EXPENDITURES. Part 3 shall contain detailed estimates of all operating and capital outlay expenditures for the ensuing fiscal year. It shall include a statement of proposed expenditures from all funds classified by organizational unit, character, object, and function and activity. It shall show, in the same classification and expenditure column the expenditures of the last completed fiscal year, those anticipated for the current fiscal year, and shall include as separate items any deficit from the preceding fiscal year that was not included in the budget for the current year and any anticipated deficit resulting from operations of the current year.

PART 4. CAPITAL OUTLAY. Part 4 shall consist of any recommendations for capital projects. These recommendations shall accompanied by a statement indicating recommended priorities for projects and shall set forth for each project:

- (i) The total estimated cost at completion;
- (ii) Appropriations and expenditures made to date;
- (iii) Expenditures and encumbrances at the close of the last completed fiscal year;
- (iv) Estimated expenditures and encumbrances for the current fiscal year;
- (v) Estimates of the amounts of money necessary for the ensuing fiscal year; and
- (vi) Estimated annual operating costs, if any, and the method of financing those costs, for each of the three years following the budget year.

(ord. no. 2215 eff. July 25, 1982)

12.405

Sec. 5. TRANSMITTAL OF BUDGET TO VILLAGE COUNCIL.

No later than February 1 of each year, the Village Clerk shall transmit the budget to the Village Council. The budget shall be accompanied by a proposed general appropriations measure, consistent with the budget, which shall set forth the anticipated revenue and requested expenditure authority for the ensuing fiscal year in such form and in such detail deemed appropriate by the Village Clerk, provided that it is consistent with the uniform chart of accounts prescribed by the State of Michigan. No appropriations measure shall be submitted to the Village Council in which estimated total expenditures, including an accrued deficit, exceed estimated total revenues, including an available surplus.

(ord. no. 2215 eff. July 25, 1982)

12.406

Sec. 6. CONSIDERATION OF THE BUDGET BY THE VILLAGE COUNCIL.

The Village Council shall fix the time and place of a public hearing to be held on the budget and the proposed appropriations measure. The Village Clerk shall then have published, in a newspaper of general circulation within the Village, notice of the hearing and an indication of the place at which the budget and proposed appropriations measure may be inspected by the public. This notice must be published at least seven (7) days before the date of the hearing.

The Village Council may direct the Village Clerk to submit any additional information it deems relevant in its consideration of the budget and proposed appropriations measure. The Village Council may conduct budgetary reviews with the Village Clerk for the purpose of clarification or justification of proposed budgetary items.

The Village Council may revise, alter, or substitute for the proposed general appropriations measure in any way, except that it may not change it in a way that would cause total appropriations, including an accrued deficit, to exceed total estimated revenues, including an unappropriated surplus. An accrued deficit shall be the first items of expenditure in the general appropriations measure.

(ord. no. 2215 eff. July 25, 1982)

12.407

Sec. 7. PASSAGE OF THE GENERAL APPROPRIATIONS MEASURE.

No later than March 1, the Village Council shall pass a general appropriations measure providing the authority to make expenditures and incur obligations on behalf of the Village. The Village Council shall cause to be levied and collected the general property tax in an amount allowed by State law and the Village Charter.

(ord. no. 2215 eff. July, 25, 1982)

12.408

Sec. 8. FAILURE TO ENACT A GENERAL APPROPRIATIONS MEASURE.

In the event that the Village Council fails to pass a general appropriations measure by the first day of the fiscal year, the fiscal officer shall notify all officers, departments, boards,

and commissions that they may, in the new fiscal year, make expenditures and incur obligations under the provisions of the general appropriations measure effective for the fiscal year just completed; except that the authority for any item of appropriation shall be limited to an amount not to exceed one-twelfth of the annual appropriation amount for that item. Expenditures shall continue in this manner each month until the effective date of the general appropriations measure for the new fiscal year. The Village Council shall not pass any amendment to the general appropriations measure for the last completed fiscal year nor make any supplemental appropriation based on that measure after the beginning of a new fiscal year.

(ord. no. 2215 eff. July 25, 1982)

12.409 **Sec. 9. AMENDMENT TO THE GENERAL APPROPRIATIONS MEASURE.**

A deviation from the original general appropriations measure shall not be made without first amending the general appropriations measure. Amendments shall follow the same procedure used for the original consideration of the budget and proposed appropriations measure and passage of the general appropriations measure pursuant to Sections 6 and 7 of this Ordinance.

(ord. no. 2215 eff. July 25, 1982)

12.410 **Sec. 10. APPROPRIATION NOT A MANDATE TO SPEND.**

Appropriations will be deemed maximum authorization to incur expenditures. The fiscal officer shall exercise supervision and control in order to insure that program or work objectives are realized within these limits and shall not approve any expenditure beyond that necessary to accomplish those objectives.

(ord. no. 2215 eff. July 25, 1982)

12.411 **Sec. 11. PROCEDURE FOR DISBURSEMENTS.**

No money shall be drawn from the Village treasury except in pursuance of an appropriation of the Village Council. Each warrant, draft or contract of the Village shall specify the fund and appropriation designated by number assigned in the accounting system classification established pursuant to law from which it is payable and shall be paid from no other fund or appropriation. Expenditures shall not be charged directly to any contingent or general account. Instead, the necessary amount of the appropriation from such account shall be transferred pursuant to the provisions of this Ordinance to the appropriate general appropriation account and the expenditure then charged thereto.

(ord. no. 2215 eff. July 25, 1982)

12.412 **Sec. 12. LIMIT ON OBLIGATIONS AND PAYMENTS.**

No obligations shall be incurred against, and no payment shall be made from any appropriation account unless there is a sufficient unencumbered balance in the appropriation and sufficient funds are or will be available to meet the obligation. Any obligation incurred of payment authorized in violation of this Ordinance shall be void and any payment so made illegal.

(ord. no. 2215 eff. July 25, 1982)

12.413 **Sec. 13. QUARTERLY FINANCE REPORTS.**

The fiscal officer, within thirty (30) days after the end of each quarter, shall transmit to the Village Council a report of financial operations, including, but not limited to:

(a) A summary statement of the actual financial condition of the budgetary funds at the end of the previous quarter;

(b) A summary statement showing the receipts and expenditures and encumbrances for the previous quarter and for the then current fiscal year to the end of the previous quarter;

(c) Optionally, a detailed listing of:

(i) Expected revenues by major source as estimated in the budget; actual receipts to date

for the current fiscal year compared with actual receipts for the same period in the prior fiscal year; the balance of estimated revenues to be collected in the then current fiscal year; and any revisions in revenue estimates occasioned by collection experience to date.

(ii) For each organizational unit and activity: The amount appropriated; the amount charged to each appropriation in the previous quarter and for the current fiscal year and as compared to the same period in the prior fiscal year; the unencumbered balance of appropriations and any revisions in the estimate of expenditures. More frequent finance reports may be prepared if desired by the Village Council or the fiscal officer.
(ord. no. 2215 eff. July 25, 1982)

12.414

Sec. 14. TRANSFERS.

Transfers of any unencumbered balance, or any portion thereof, in any appropriation account to any other appropriation account may not be made without amendment of the appropriations measure as provided in Section 10 of this resolution, except that transfers within a fund and department may be made by the fiscal officer if the amount to be transferred does not exceed 10% of the appropriation item from which the transfer is to be made, whichever is less.

(ord. no. 2215 eff. July 25, 1982)

12.415

Sec. 15. SUPPLEMENTAL APPROPRIATIONS.

The Village Council may make supplemental appropriations by amending the original general appropriations measure as provided by Section 7 of this resolution, provided that revenues in excess of those anticipated in the original general appropriations measure become available due to:

(a) An unobligated surplus from prior years becoming available;

(b) Current year revenue exceeding original estimates in amounts great enough to finance increased appropriations.

The Village Council may make a supplemental appropriation by increasing the dollar amount of an appropriation item in the original general appropriations measure or by adding additional items. At the same time, the estimated amount from the source of revenue to which the increase in revenue may be attributable shall be increased, or a new source and amount added, in a sum sufficient to equal the supplemented expenditure amount. In no case may such appropriations cause total estimated expenditures, including an accrued deficit, to exceed total estimated revenues, including an unappropriated surplus.

(ord. no. 2215 eff. July 25, 1982)

12.416

Sec. 16. APPROPRIATED ADJUSTMENT REQUIRED.

Whenever it appears to the Village Council that the actual and probable revenue in any fund will be less than the estimated revenues upon which appropriations from such fund were based, the Village Clerk shall present to the Village Council recommendations which, if adopted, will prevent expenditures from exceeding revenues for the current fiscal year. Such recommendations shall include proposals for reducing appropriations, increasing revenues, or both.

Within fifteen (15) days of receiving the recommendations of the Village Clerk for bringing appropriations into balance with estimated revenues, the Village Council shall amend the general appropriations measure to reduce appropriations or shall approve such measures necessary to provide revenue sufficient to equal appropriations, or both. If the Village Council does not make effective such appropriation reductions or measures to increase anticipated revenues within this time, the Village Clerk shall within the next five (5) days

make adjustments and appropriations in order to equalize appropriations and estimated revenues.
(ord. no. 2215 eff. July 25, 1982)

12.417

Sec. 17. PENALTIES.

Any violation of this Ordinance shall be cause for removal of any elected or appointed official or employee in the manner prescribed by law for the removal of such officer or employee.

Adopted: July 5, 1982
Effective: July 25, 1982
Published: July 26, 1982