Treasurer’s Webinar Training
Controlling and Managing
the Budget
April 28, 2020

Presenters
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Secretary-Treasurer, AFDSNY
District Treasurer, Greenfield Fire District
Managing the Budget

- **WHO?**
  - Treasurer
  - Commissioners
  - Chief

- **WHY?**
  - Limited Resources
  - Balanced Budget
  - Timely detection of budget shortfalls

- **When?**
  - At least Monthly
Controlling the Budget

- **Budget vs Actual Reports**
  - Monthly Actual vs Monthly Budget.
    - Narrative
  - Year to Date Actual vs. Year to Date Budget.
    - Narrative
  - Review large variances, from analysis determine need for modifications.
Controlling the Budget cont’d

- **Encumbrances**
  - **What are they?**
    - Unperformed or Unreceived Procurements
  - **What is the purpose?**
    - Budgetary ( Appropriation Control)
## Subsidiary Expenditure Ledger

<table>
<thead>
<tr>
<th>Date</th>
<th>Description</th>
<th>Appropriation</th>
<th>Encumbrances</th>
<th>Expenditure</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1/1/2020</td>
<td>Budget</td>
<td>$ 100,000.00</td>
<td></td>
<td></td>
<td>$100,000.00</td>
</tr>
<tr>
<td>1/10/2020</td>
<td>Order placed</td>
<td>$ 15,500.00</td>
<td></td>
<td></td>
<td>$ 84,500.00</td>
</tr>
<tr>
<td>6/25/2020</td>
<td>Order received</td>
<td>$ (15,500.00)</td>
<td>$ 15,600.00</td>
<td></td>
<td>$ 84,400.00</td>
</tr>
</tbody>
</table>
BUDGET MODIFICATIONS

A budget modification is an amendment to the adopted budget.

- Possible Types of Modifications
  - Transfers
    Contingency line item 1990.4
  - Fund Balance and Unanticipated Revenue
    (not included in original budget)
  - Grants in Aid
    Grants – NYS or Federal
    Disaster Aid – FEMA or SEMA
BUDGET MODIFICATIONS - Continued

- **Insurance Recovery**
  - Can increase the budget immediately to replace or repair item damaged.
  - For other purpose must determine if there is unappropriated surplus.

- **Gift(s)**
  - Restricted Gifts
    - Required to be expended for particular objects or purposes.
  - Unrestricted Gifts
    - No purpose stated.
BUDGET MODIFICATIONS - Continued

- **Budget Notes (debt issuance)**
  - Local Finance Law, § 29
    
    Provide funding for expenditures where insufficient or no provision was made in budget.  
    **Limit:** Up to 5% of Budget

    Unforeseen public emergency.  
    **Limit:** None

**Governing Board Resolution must identify line items and corresponding amounts**

**MUST budget for:**

- Principal & Interest
- Less
- Unspent Cash from Note
BUDGET MODIFICATIONS

- **Legal**
  - By Board Resolution

- **Accounting**
  - By General Journal Entry

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>A3410.1 Personal Services</td>
<td>$ 65,000.00</td>
</tr>
<tr>
<td>A3410.2 Equipment &amp; Capital Outlay</td>
<td>$110,000.00</td>
</tr>
<tr>
<td>A3410.4 Contractual &amp; Other</td>
<td>$455,000.00</td>
</tr>
<tr>
<td>A3410.8 Employee Benefits</td>
<td>$170,000.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$800,000.00</strong></td>
</tr>
</tbody>
</table>
Transfers:

- Have no real affect on budget - realigns budget
  - Transfer from contingent line item (1990.4)
  - Transfer from appropriation line item to line item
  - Transfer between objects of expenditure in same line item
BUDGET MODIFICATIONS - Continued

- Using Unappropriated FB or Unanticipated Revenues
  - When?
  - How Much?
  - INCREASES BUDGET

**EXAMPLE:**

<table>
<thead>
<tr>
<th>Budget:</th>
<th>Est. Revenues (510) $5,000,000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Appropriated FB (599) $500,000</td>
</tr>
<tr>
<td></td>
<td>$5,500,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Actual:</th>
<th>Revenues** (980) $4,850,000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Beginning FB (909) $715,000</td>
</tr>
<tr>
<td></td>
<td>$5,565,000</td>
</tr>
</tbody>
</table>

You Can Appropriate $65,000

** Plus revenues that are reasonably expected to be recognized in the current year.