

City of Leavenworth, Kansas
Budget Policy
Approved by City Commission
March 12, 2024

INTRODUCTION

The preparation and adoption of the annual budget is a critical responsibility of the commission and its management team. It is also their main management tool. A budget is an operating plan that identifies likely sources and uses of resources and helps assess the effect they have on the City's financial position. There are many benefits to budgeting these anticipated sources and uses:

- An annual budget provides an opportunity to monitor and adjust activities as necessary.
- Governmental entities need to show compliance with legislative and resource requirements. Establishing an annual budget acknowledges those restrictions and shows compliance with them.
- Budgets also represent the embodiment of commission policies and priorities.
- An annual budget provides spending authority.
- An annual budget provides the authority to levy taxes.

PURPOSE

Effective financial management practices include budget policies and procedures that ensure financial stability. The purpose of this budget policy is to establish a framework from which the City Commission, City Manager, and all City Departments may work together to provide quality services to the citizens while maintaining financial viability.

SCOPE

This policy will apply to all of the City's operating funds that are required to be budgeted by the State of Kansas budget laws (K.S.A. 79-2925).

POLICY STATEMENT

The City of Leavenworth is committed to:

- Compliance with the State of Kansas Budget Laws.
- Effective management and monitoring of City resources, including the use of long-term financial planning and long-term capital improvement planning.
- Maintaining acceptable reserve levels.

The State of Kansas requires that a balanced budget be prepared on an annual basis. Kansas budget laws allow for the use of unrestricted cash balances to be used to offset shortfalls between anticipated revenues and expenditures. However, the City of Leavenworth is committed to maintaining an acceptable minimum reserve level, therefore, only the portion of unrestricted cash balances that exceeds the minimum reserve level identified in the City’s Budgetary Reserve Policy will be used to offset shortfalls between anticipated revenues and expenditures.

The City of Leavenworth will use a fund type of budget format that includes applicable receipts and expenditures for three years (prior, current, and future year), which are presented in a financial statement manner by fund. The use of this format clearly defines the sources and uses of the City’s resources by program or services provided. These programs and services will include all revenues as well as direct and indirect costs.

The City’s basis of budgetary accounting conforms to Kansas Cash Basis Budget Laws (K.S.A. 10-1101).

BUDGET CALENDAR

Month	Event / Milestone
February	Budget workbooks distributed by Finance Department to all City Departments with prior-year actual data; Departments begin planning future year expenses.
March	Long term planning with City Commission along with preliminary revenue projections by Finance for the next budget year. Capital Improvement Plan (CIP) development begins.
April	Departments complete first draft of budget workbooks and return to Finance Department; and meetings are scheduled to explain instructions. CIP requests are submitted and reviewed.
May	Department requests are due; budgets consolidated and reviewed by City Manager.
June	Receive estimates of assessed values from the County (budget adjusted as necessary); operating budget is presented to City Commission.
July	Kansas State Budget Book completed; County Clerk is notified of intention to exceed Revenue Neutral Rate (RNR).
August	Budget hearing is held on Annual Operating Budget and RNR adherence.
September	Adopted budget is forwarded to County Clerk.
January 1 st	New budget year begins.

MONITORING AND REPORTING

The budget process is a cooperative effort between the City Commission, City Manager, the Finance Department, and Department Directors. Each Department has access to their budget as well as current, accurate financial data. Department Directors are responsible for monitoring their individual budget status and notifying the City Manager and the Finance Department of any corrections or unforeseen events that will require budget changes. The Finance Department will review budgets for the entire organization on a regular basis, in addition to reviewing available cash compared to budgeted allocations.

BUDGET AMENDMENTS

Kansas budget law allows municipalities to amend budgets in order to spend money not in the original budget. The additional expenditures must be made from existing revenues and cannot require additional tax levies. A budget amendment is not required if the receipts result from a source specifically exempt by statute from the budget law.