



CITY OF PITTSBURG, KANSAS BUDGET POLICY

INTRODUCTION

The preparation and adoption of the annual budget is the most critical responsibility of the City 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 City Commission policies and priorities.
- An annual budget provides spending authority
- Annual budgets provide 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.

POLICY STATEMENT

The City of Pittsburg is committed to:

- Effective management and monitoring of City resources
- Compliance with the State of Kansas Budget laws
- 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 Pittsburg is committed to maintaining an acceptable minimum level of reserves, therefore, only the portion of unrestricted cash balances that are in excess of 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 Pittsburg will use a fund type of budget format that includes applicable receipts and expenditures for three years, which are presented in a financial statement manner for each fund. In accordance with Kansas budget law, the three years will include:
 - Prior Year Actuals
 - Current Year Estimate
 - Proposed Future Year

This 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 and direct and indirect costs that are measurable, allowable, and allocable. The City's basis of budgetary accounting conforms to Kansas Budget Laws