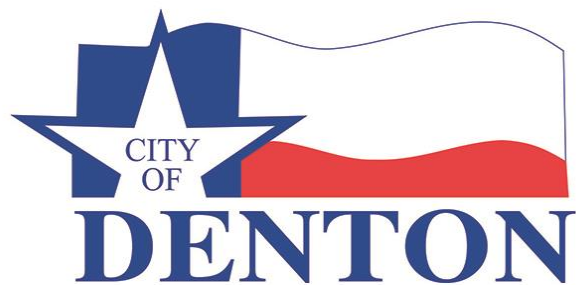# Budget Instruction Manual
Fiscal Year 2022-23

City of Denton

Finance Department

February 25, 2022

MEMORANDUM

Date: February 25, 2022

To: Department Budget Liaisons

From: Heather Gray, Budget Manager

Subject: FY 2022-23 Budget Instruction Manual

The FY 2022-23 Budget Instruction Manual has been developed to help you prepare your department's/division's budget. The instructions included in the manual cover questions regarding budgeting concepts and policies, budget forms and documents, rates to be used for FY 2022-23, and how to complete budget requests.

For those who are new to the budget process, "The Budget Process in Brief," will be very helpful.

The budget office is organized into three distinct teams to best serve all departments. Each of our teams is dedicated to supporting you during your budget preparation and answer your questions throughout the year. If you have specific questions about preparing your budget, please contact the appropriate team.

Capital Improvement Projects Team
  ➢ CIPbudget@cityofdenton.com

General Fund/Internal Service Fund Team
  ➢ Budget@cityofdenton.com

Utilities Team
  ➢ Utilitiesbudget@cityofdenton.com

Table of Contents

Budget Team Common Services

Budget Preparation	Budget Transfers	Questica Access Requests
Budget Management	Receiver Reversals	JDE Access Requests
Budget Training	JDE OR Workflow Changes	Cell Phone Allowance Forms
Project Setup & Closures	Budget Hold Review	Lien Inquiries
Project Transfers	Position Control Updates	Financial Reporting
New HBU & Object Codes	Reclassification Requests	Special Research & Analysis

Please contact your Budget Team during the budget season and throughout the year for the common services listed above. Please note: additional resources are available on the Budget Sharepoint page, including request forms, training resources, and budget kickoff information:
https://codenton.sharepoint.com/sites/CityFinance/SitePages/Budget.aspx

Budget Team Contacts
Cassey Ogden, Finance Director
Nick Vincent, Assistant Finance Director
Heather Gray, Budget Manager

CAPITAL IMPROVEMENT PROJECTS TEAM	GENERAL FUND/INTERNAL SERVICE FUND TEAM	UTILITIES TEAM
CIPbudget@cityofdenton.com	Budget@cityofdenton.com	Utilitiesbudget@cityofdenton.com
Supervisor – Matt Hamilton	Supervisor – Lee Rodriguez	Supervisor – Danielle Stanford
Senior Analyst – Sherly Joseph	Senior Analyst – Seth Herrell	Senior Analyst – Dan Galizia
Senior Analyst – Sarah Cochran	Analyst – Bryan Arias	Analyst – Jennifer Gonzalez
Analyst – Sunita Gautam		Analyst – Miles Walker
		Analyst – Lauren Price

Departments served:
Engineering, Streets, Traffic Facilities, Airport, Fleet, Parks

Departments served:
Legal, CMO, Public Affairs, Finance, Economic Development, Community Services, Customer Service, HR, Risk/Health, Police, Safety, Fire, Technology Services, Public Safety Dispatch, Municipal Court, Internal Audit, Procurement, Animal Services, Library, Development Services

Departments served:
Electric, Water, Wastewater, Solid Waste

Budget Team Support & Additional Resources

The Budget Team's goal is to give you the support and resources necessary to prepare your budget efficiently and accurately. For FY 2022-23, we have the following resources available during the budget season:

Virtual Budget Prep Work Sessions – are available for signup through NEOGOV. Members of our budget team will be on the call to help you with questions related to preparing your budget and walk through various tasks per your request.

- ➢ Tuesday, March 1 from 3-4pm
- ➢ Wednesday, March 2 from 9-10am
- ➢ Thursday, March 3 from 1:30-2:30pm
- ➢ Monday, March 7 from 4-5pm
- ➢ Tuesday, March 8 from 8:30-9:30am

Resource Section – A copy of the budget kickoff presentation for the FY 2022-23 budget along with other resources, such as a required documents checklist, baseline & supplemental ranking templates and assistance with personnel calculations is available here: \\codad\Global\Budget 22-23\Operating Budget Documents\1 - Department Resources

Financial Reports – Our team can provide a variety of reports to help you prepare your budget. Just ask!

Communication - 24 business hour response to your emails. Please reach out to our team with questions:

- ➢ CIPbudget@cityofdenton.com
- ➢ Budget@cityofdenton.com
- ➢ Utilitiesbudget@cityofdenton.com

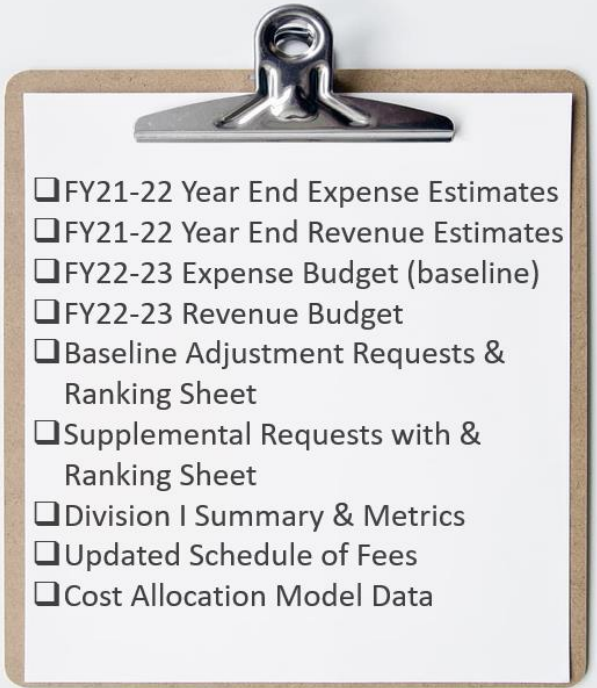# FY 2022-23 Budget Calendar & Checklist

Budget Calendar

CIP Budget Calendar

Date	Action
December 10	CIP Budget Kick-off
January 21	Call for CIP Projects Due to Finance
February	CIP Review Meetings – Departments & Finance
March 15	CIP Revisions Due to Finance
March 16-31	Finance meeting with CMO & Executive Staff to prioritize projects.
April	Budget staff draft CIP budget document
May	Draft CIP budget document and preliminary supplemental list presented to CMO and Executive Staff
June 7 & 28	**June 7** – Electric Rate Discussion with Council **June 28** - CIP Budget Work Session with Council
July 19	Utility Budget Work Session with Council (PUB dates: May 23, June 13, July 11)
August 6	Budget Workshop with City Council – departments present supplementals & are available to answer questions
September	9/20 – Public Hearing on budget and tax rate. 9/27 - City Council adopts CIP and Operating budget for FY 2022-23, tax rate, utility rates and other fee schedules

Operating Budget Calendar

Date	Action
February 22-24	Operating Budget Kick-off
March 1-8	Budget Prep Workshops Available
March 25	Operating Budgets Due (see checklist on pg. 21)
March 28 – April 8	Finance Review and Analysis
April 11 - 22	Operating Budget Review Meetings – Departments & Finance
April 26	Final Revisions due to Finance

Operating Budget Submission Requirements

- ☐ FY21-22 Year End Expense Estimates
- ☐ FY21-22 Year End Revenue Estimates
- ☐ FY22-23 Expense Budget (baseline)
- ☐ FY22-23 Revenue Budget
- ☐ Baseline Adjustment Requests & Ranking Sheet
- ☐ Supplemental Requests with & Ranking Sheet
- ☐ Division I Summary & Metrics
- ☐ Updated Schedule of Fees
- ☐ Cost Allocation Model Data

HBU Budget Breakdown

Baseline Budgeting – method utilizing current spending levels as the "baseline" for developing a budget for future years. Each HBU (Home Business Unit) will be given a baseline budget in discretionary object codes equal to the prior year except the removal of one-time adjustments from prior year.

Discretionary Expenses – flexible expenses that may be moved between object codes or reduced based on need, such as materials and supplies, contracted services, etc. These funds may not be added to locked costs.

Locked (Fixed) Cost Expenses – expenses related to object codes that are projected for you by Finance, such as personnel costs, interfund transfers, electric/water/fuel costs, etc.

Change Requests – a requested change to the baseline budget

> ➢ **Baseline Adjustment** – generally $5,000 or less and for an existing supply/program/service
>
> ➢ **Supplemental Package** – for a new supply/program/service of any amount or existing supply/program/service above $5,000

The Interfund Transfers category contains both locked and discretionary costs.

- Locked costs are administrative transfers entered by the Budget department. These costs begin with object code 8440.
- Discretionary costs are transfers to capital projects. These costs begin with object code 8411.

<u>Locked costs</u> – Costs in which departments are unable to edit. These costs are entered by the Budget Team.

<u>Discretionary costs</u> – Costs that the department has the ability to shift and edit to best fit the needs of the department

Tools	Help				

2020-2021	162200 - Budget - Main			Stage: Mo...

Annual Budget (Summary View)

View By: GL Account Summary ⌄

		Object Code ...	GL Category	Object Code	2019 Budget
			Click here to add a new record...		
▶	**GL Category: Insurance**				
					(7,927)
◢	**GL Category: Interfund Transfers**				
+	☐	Expenditure	Interfund Transf...	8411 - TRSF TO CAPITAL PROJECTS	
+	☐	Expenditure	Interfund Transf...	8411.0008 - TRSF TO CAP PROJ-TECH SV	
+	☐	Expenditure	Interfund Transf...	8411.0009 - TRSF TO CAP PROJ-GEN GOV	
+	☐	Expenditure	Interfund Transf...	8440.8300 - ADMIN TRSF - TECH SVCS EXPENSE	52,512
					(52,512)
▶	**GL Category: Materials and Supplies**				
					(13,905)
▶	**GL Category: Miscellaneous Expense**				
					(690)
▶	**GL Category: Operations**				
					(94,210)
▶	**GL Category: Personnel Services**				
					(1,021,348)
					(1,190,592)

Total Budget for HBU*

*The total budget is comprised of the subtotals for each GL category. The total budget includes all costs.

Operating Families

Operating families are sets of object codes that fall under specific GL Categories.

Personnel Services

6101	SALARY AND WAGES
6110	CIVILIAN OVERTIME
6112	CIVILIAN LONGEVITY
6119	CAR ALLOWANCE
6123	CELL PHONE ALLOWANCE
6142	FICA
6143	TMRS
6150	HEALTH/MEDICAL INSURANCE
6156	LIFE INSURANCE
6158	LONG-TERM DISABILITY
6162	WORKER'S COMP
6195	SALARY ADJUSTMENT
6196	SALARY SAVINGS
6198	LABOR CHARGE BACK
6199	CAPITAL LABOR

Materials and Supplies

6302	OFFICE SUPPLIES
6304	COPY CHARGES
6305	COPY CHARGES REPRO
6306	COPIER SUPPLIES
6308	POSTAGE
6312	UNIFORMS
6314	PROTECTIVE CLOTHING
6322	COMPUTER FORMS & SUPPLIES
6330	BOOKS & MAGAZINES
6332	SMALL TOOLS & INSTRUMENTS
6334	CHEMICALS
6336	MEDICAL SUPPLIES
6340	FREIGHT
6342	JANITORIAL SUPPLIES
6346	MECHANICAL ELECTRICAL
6350	PLASTIC REFUSE BAGS
6364	SPECIAL COMPRESSED GAS
6370	COMPOST
6372	OUTSIDE SUPPLIES
6382	TELEPHONE SUPPLIES
6386	DOCUMENT PRINTING
6390	OTHER/MISC MATERIALS
6391	FURNITURE & FIXTURES
6392	OFFICE MACHINES
6393	MACHINES AND EQUIPMENT
6394	MISCELLANEOUS EQUIPMENT
6395	RADIOS
6408	GASOLINE PURCHASE
6418	DIESEL FUEL PURCHASES

Maintenance and Repair

6504	OFFICE MACHINES
6506	MACHINERY & EQUIPMENT
6508	OTHER
6510	CONTAINERS
6512	BUILDING & EQUIPMENT
6514	SIDEWALK & GROUNDS
6532	METERS
6544	PLUMBING REPAIRS
6545	OUTSIDE CONTRACTED SERVICES

Insurance

6704	FIRE & EXTENDED COVERAGE INSURANCE
6705	SELF-INSURED ADMINISTRATION
6706	GENERAL & AUTO LIABILITY

Administrative Costs

6806	FRANCHISE FEE
6900	LANDFILL CLOSURE

Miscellaneous

7702	0	AWARDS
7704	0	COUNCIL & BOARD EXPENSES
7729	0	CHAMBER OF COMMERCE
7762		MISC COMMUNITY SERVICE

Fixed Assets

8505	PROPERTY & EQUIPMENT
8535	MACHINERY & EQUIPMENT
8540	FURNITURE & OFFICE EQUIPMENT
8550	PLANT & EQUIPMENT

Debt Service Transfer

8301	DEBT SERVICE TRANSFER

Operations

7802	HIRE OF EQUIPMENT
7804	LICENSES
7806	DUES & PUBLICATIONS
7810	LAUNDRY SERVICES
7814	SEVEN HABITS TRAINING
7818	EMPLOYEE RECRUITMENT
7820	EMPLOYEE TRAINING
7826	WORKFORCE DIVERSITY TRAIN
7830	BAD DEBT EXPENSE
7832	INTEREST UTILITY DEPOSIT
7833	DRAINAGE FEE
7834	SOLID WASTE SURCHARGE
7842	GAS, OIL & DIESEL
7844	VEHICLE MAINTENANCE
7854	CONSULTANT FEES
7855	ENVIORNMENTAL COMPLIANCE
7856	ATTNY FEES - LITIGATION EXP
7860	CONS ENG DESIGN/BID
7868	TEMPORARY SERVICES
7869	JANITORIAL SERVICES
7879	OUTSIDE CONTRACT SERVICES
7882	BANK DEPOSITORY
7886	MOWING EXPENSE
7888	DRUG SCREEN
7890	MEDICAL SERVICES
7899	OUTSIDE CONTRACT SERVICES
7902	TRAVEL EXPENSES
7904	COUNCIL AND BOARD MEALS
7908	SCHOOLS & SEMINARS
7912	ADVERTISING
7914	MARKETING
7921	RENT OF VEHICLE
7922	RENT OF BUILDING
7932	GAS SERVICE
7934	ELECTRICAL SERVICE
7936	WATER & WASTEWATER SERVICE
7938	SOLID WASTE COLLECTION
7942	TELEPHONE - FIXED COST
7944	TELEPHONE - LONG DISTANCE
7946	TELE/MOBIL/PAGER

Interfund Transfers

8402		ADMINISTRATIVE TRANSFER
8440	1000	TRSFR TO GENERAL FUND
8404		TRSFR TO ELECTRIC FUND
8440	6000	ADMINISTRATIVE TRANSFER - ELECTRIC
8407		TRSFR TO SAFETY & TRAINING
8440	6001	TRSFR TO SAFETY & TRAINING
8408		TRSFR TO WASTEWATER FUND
8440	6400	TRSFR TO WASTEWATER FUND
8411		TRSFR TO CAP PROJ
8411	0005	TRSFR TO CAP PROJ - SOLID WASTE
8411	0006	TRSFR TO VEHICLE REPLACEMENT
8411	0011	TRSFR TO CAP PROJ - AUCTION FUND
8412		TRSFR TO FLEET
8440	8200	TRSFR TO FLEET
8416		TRSFR TO TECH SVCS
8440	8300	TRSFR TO TECH SVCS
8419	0025	TRSFR TO ENGINEERING
8440	8400	TRSFR TO ENGINEERING
8421		TRSFR TO MATERIALS MANAGEMENT
8440	8000	TRSFR TO MATERIALS MANAGEMENT
8441	6600	TRSF TO SOLID WASTE
8422		TRSFR TO UTILITY ADMIN
8440	6301	TRSFR TO UTILITY ADMIN
8426		TRSFR TO CUST SERVICE
8440	6302	TRSFR TO CUST SERVICE
8441		TRSFT TO ELECTRIC
8435		TRANSFER TO OTHER FUND

Enter FY 21-22 Year End Expense and Revenue Estimates

To enter your FY 21-22 year end expense estimates you will open Questica and select Operating from the left hand column then select HBU's.

Select Budget Year 2021-2022 and type in your six-digit HBU. Then hit Search and double click on your HBU to open.

Select Account Structure Summary from the View By: dropdown.

Here is what you should see at this point. Select the Layout option on the task bar and choose FY 21-22 Dept Default as the layout.

Enter the total estimated expense for each line in your budget in the YE Estimate Column.

To enter your FY 21-22 year end revenue estimates you will open Questica and select Operating from the left hand column then select HBU's.

NOTE: This is only applicable to departments that have revenues.

Select Budget Year 2021-2022 and type in your four-digit revenue code. Then hit Search and double click on your account to open.

Select Account Structure Summary from the View By: dropdown.

Here is what you should see at this point. Select the Layout option on the task bar and choose FY 21-22 Dept Default as the layout.

Enter the total estimated revenue for each line in your budget in the YE Estimate Column.

Enter Baseline Expense and Revenue Budgets

Change the Budget Year dropdown to 2022-2023, enter your six-digit HBU and then Search. (You can also enter the HBU name, Department name, or just click search to see all the HBUs available to you.)

Your HBU will show in the list below after you search. Double click to open.

NOTE: If you have **revenues** to enter, you will follow this same process. To get to revenues, enter a four-digit revenue code rather than a six-digit HBU code. (Please reach out to your budget team if you need assistance.)

Here is what you should see at this point. If you do not see this screen, choose Annual Summary under Budget on the left menu. (Questica will default to the screen that you last used.)

Select Account Structure Summary from the View By: dropdown.

You can then select from the default Layout options. Choose FY 22-23 Dept Budget Entry Default for the layout.

To edit the amount on each object code, expand the line by clicking the plus sign. You can then type in the description and amount field.

If an object code total amount will be made up of multiple expenses/vendors, please itemize the total.

If you need to add an object code to your budget:

Go to "Details" under the "Budget" heading. From there, click on the "Click here to add a new record." This will allow you to add a new object code.

Your discretionary fund totals have been saved in the following file path in their respective department folders:

O:\Budget 22-23\Operating Budget Documents

Entering Baseline Adjustments

BASELINE ADJUSTMENT
Increase to an existing line item
Example: increase training and travel line item from $1,000 to $2,500

If a request is entered as a baseline adjustment, but should be a supplemental (or vice versa), the Budget Office can change the request type.

1. Baseline Adjustments are submitted in Questica as a Change Request.

   Verify Budget Year **2022-2023** is selected.

2. Click +Add Change Request at the top right

The following steps are required for a Baseline Adjustment.

- **Baseline Adjustment Overview**
  - o Department – Select the appropriate department from dropdown menu.
  - o Change Request Type – Select Baseline Adjustment from the dropdown menu.
  - o Name – Enter the HBU & a one-to-three word description.
  - o Description – Enter the current date and a detailed description in this field.

- **Baseline Adjustment Information**
  - ○ The Change Request Information will replace the previous white paper. Be sure to:
    - ▪ Use complete sentences.
    - ▪ Use proper spelling and punctuation.
    - ▪ Add the $ amount and a description in the description field.
    - ▪ The Strategic Plan field can be left blank.
    - ▪ Provide sufficient information in the Justification box.
    - ▪ The FTE and Vehicles check box should be left blank.
    - ▪ Select the appropriate check box: One-Time Request, On-Going Request, or both.

To access Change Request Information:

At the top-left of your screen, select "Change Request"

- **Baseline Adjustment Details**

    Below is an example of a completed Change Request Information screen

To the left of your screen, select "Operating Changes", then select "Display Options"

Next, you will enter the details of your baseline adjustment request.

Enter the following fields:

- o   HBU
- o   Description
- o   Object Code
- o   Sub-ledger (if applicable)
- o   Amount goes in 2023 (Also enter the amount in the 2024 column for an ongoing adjustment.)

- **Baseline Adjustment Approval**

    Select Change Request on the top tool bar then Promote. Promote to Finance Review and click OK. No comment is required.
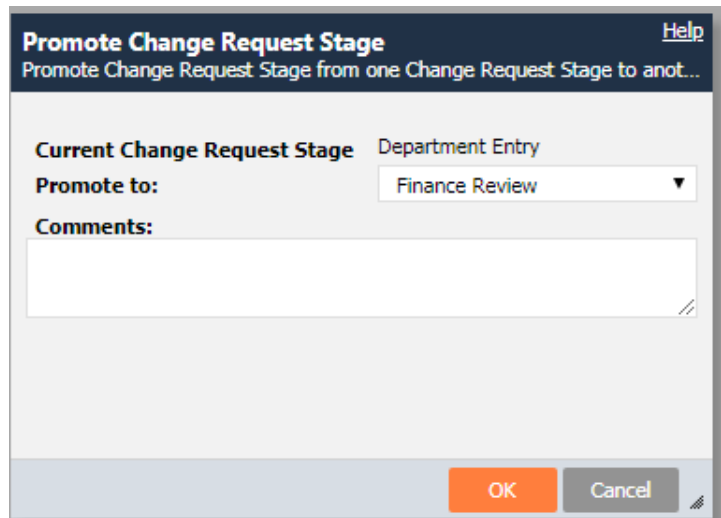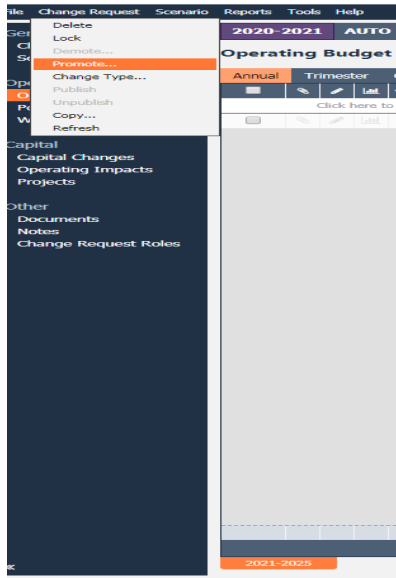
Baseline Adjustment Ranking Form

Once all baseline adjustments have been entered into Questica for your department, complete the Baseline Adjustment Ranking Form for your department. Save your completed form in your department folder in the O drive. The template and your department folder are available here: O:\Budget 22-23\Operating Budget Documents

		Baseline Adjustment Summary & Ranking - FY 2022-23				
DEPARTMENT RANKING	**DEPARTMENT - DIVISON**	**BRIEF DESCRIPTION**	**REQUEST CATEGORY**	**AMOUNT**	**HBU**	**OBJECT CODE**
1	Parks and Rec - Civic Center (EXAMPLE)	additional cleaning supplies and PPE	Ongoing	$ 750	411130	6342
2	Parks and Rec - Natatorium (EXAMPLE)	increased chemical supply costs due to new contract	Ongoing	$ 4,500	207001	6334
3						
		ONGOING COSTS		$ 5,250		
		ONE-TIME COSTS		$ -		
		TOTAL		$ 5,250		

Entering Supplemental Requests

Supplemental Requests are also submitted in Questica as a Change Request.

1. Verify Budget Year 2022-23 is selected.
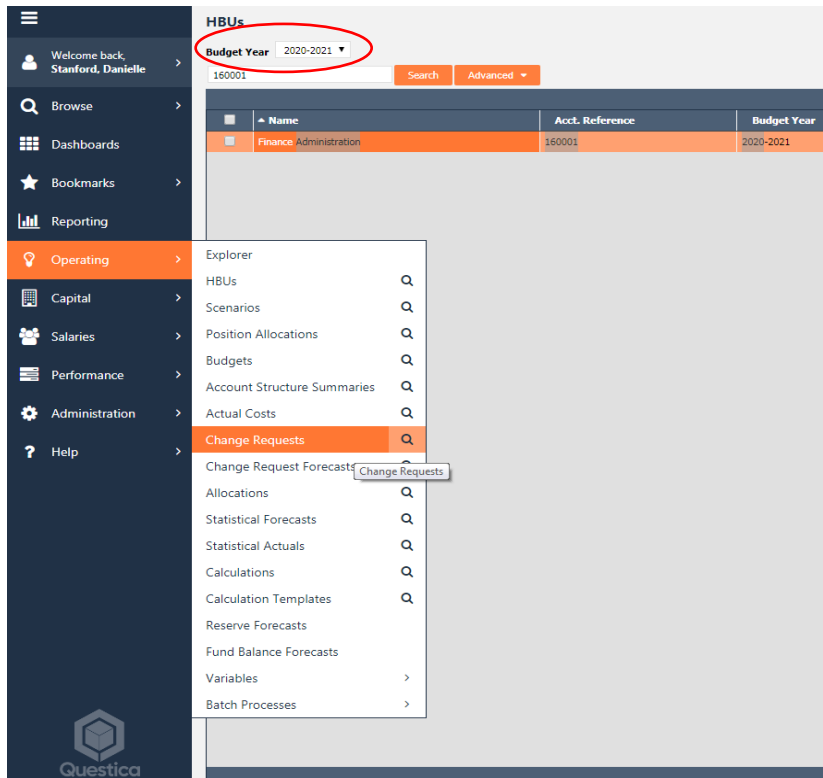
2. Click +Add Change Request at the top right
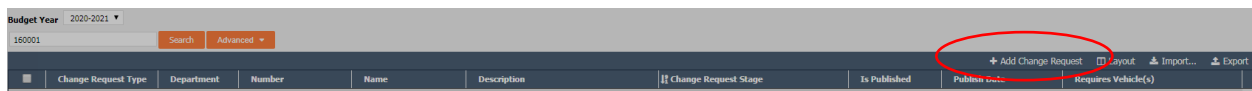
The following steps are required for a Supplemental Request.

- **Supplement Request Overview**
    - Department – Select the appropriate department from dropdown menu.
    - Change Request Type – Select Supplemental from the dropdown menu.
    - Name – Enter the HBU & a one-to-three-word description.
    - Description – Enter a current date and a detailed description in this field.

- **Supplemental Request Information**

Supplement Request Information Screen

Click on Change Request from the menu on the left. Enter a response into all fields.

- o   If the supplemental request includes a new FTE or FTEs, select the number of FTEs in the dropdown.

- o   If the supplemental request includes a new vehicle, select the vehicle box.

- o   If the supplemental request includes neither of those, leave both fields as they are.

- o   Select the appropriate check box: One-Time Request, On-Going Request, or both.

1. Acct. Reference – This field may be left blank.
2. Description – The description should carry over from the overview.
3. Comments – Enter the relationship of the request to City Council's expressed priorities, and/or your department's strategic goals.
4. Justification – Enter the current practice and issues as well as how approval of the supplemental request will provide a solution.
5. Documents – under "other" on the left-hand menu. If you have additional supporting documents to help justify your request, please upload them here.

Supplemental Request Details

At the top-left of your screen, select "Operating Changes", then select "Display Options"

General
  Change Request
  Scenario

Operating
  Operating Changes
  Position Changes
  Wage Adjustments

THEN . . .

On the top right of the screen, choose Display Options.

📋 Layout   ▦ Display Options   ⬆ Export

Select 2 from the Display Years dropdown, then OK.

Display Options
Set your viewing preferences for this budget grid.

Current View	Annual ▾
Display Years	2 ▾
Decimal Places	1
	2
	3
	4
	5

OK   Cancel
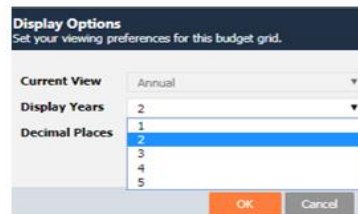
Next, you will enter the details of your supplemental request.

Enter the following fields:

- o HBU
- o Description
- o Object Code
- o Sub-ledger (if applicable)
- o Amount goes in 2023

💡 *Tip – if you are asking for a position, be sure to enter the "fully loaded" cost which includes benefits. You do not need to add an amount to "operating changes", only list the amount in the description field. Use the calculator in the O drive to help calculate costs.*

- **Supplemental Request Details- Ongoing Cost**

| 2020-2021 | AUTO - 335 - HBU - Description Overview - Main |

Operating Budget

Annual Trimester Quarterly Monthly

☐	🔗	✏	📊	▾ HBU	Description	Object Code	Sub-ledger	2021	2022
				160001 - Finance Administration	Training	6302 - OFFICE SUPPLIES	--Please select a value--	5000	1000

If your supplemental requests has ongoing expenses, enter the amount in the year 2023. For example, a software purchase has an initial cost of $5,000 (2023) and recurring licensing fees of $1,000 (2024).

- **Supplemental Request Approvals**

  Select Change Request, then Promote. Promote to Finance Review and click OK. No comment is required.
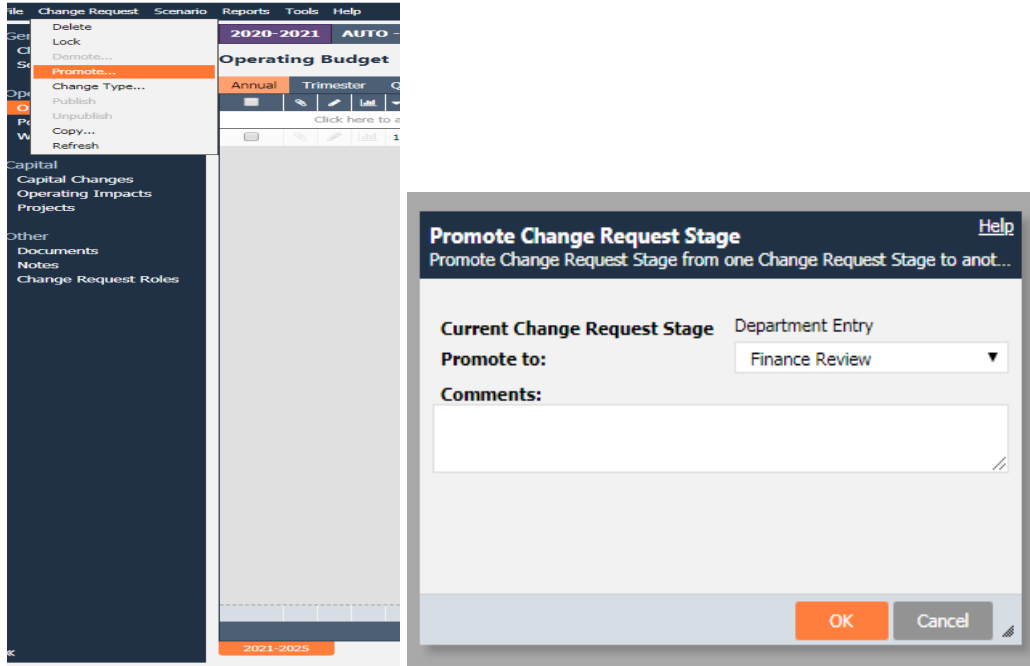
Supplemental Adjustment Ranking Form

Once all supplemental requests have been entered into Questica for your department, complete the Supplemental Adjustment Ranking Form for your department. Save your completed form in your department folder in the O drive. The template and your department folder are available here: O:\Budget 22-23\Operating Budget Documents

DEPARTMENT RANKING	DEPARTMENT - DIVISON	BRIEF DESCRIPTION	REQUEST CATEGORY	AMOUNT	HBU	OBJECT CODE(S)	FTE'S	VEHICLES
		Supplemental Summary & Ranking - FY 2022-23						
1	Public Affairs	Satisfaction survey of Denton residents and businesses	One-Time	$ 30,000	106001	7879	0	0
2	Public Affairs - DTV	Closed captioning services	Ongoing	$ 25,000	104001	7879	0	0
3								
			ONGOING COSTS	$ 25,000		FTE Total	0	
			ONE-TIME COSTS	$ 30,000		Vehicle Total	0	
			TOTAL	$ 55,000				

Change Request Status
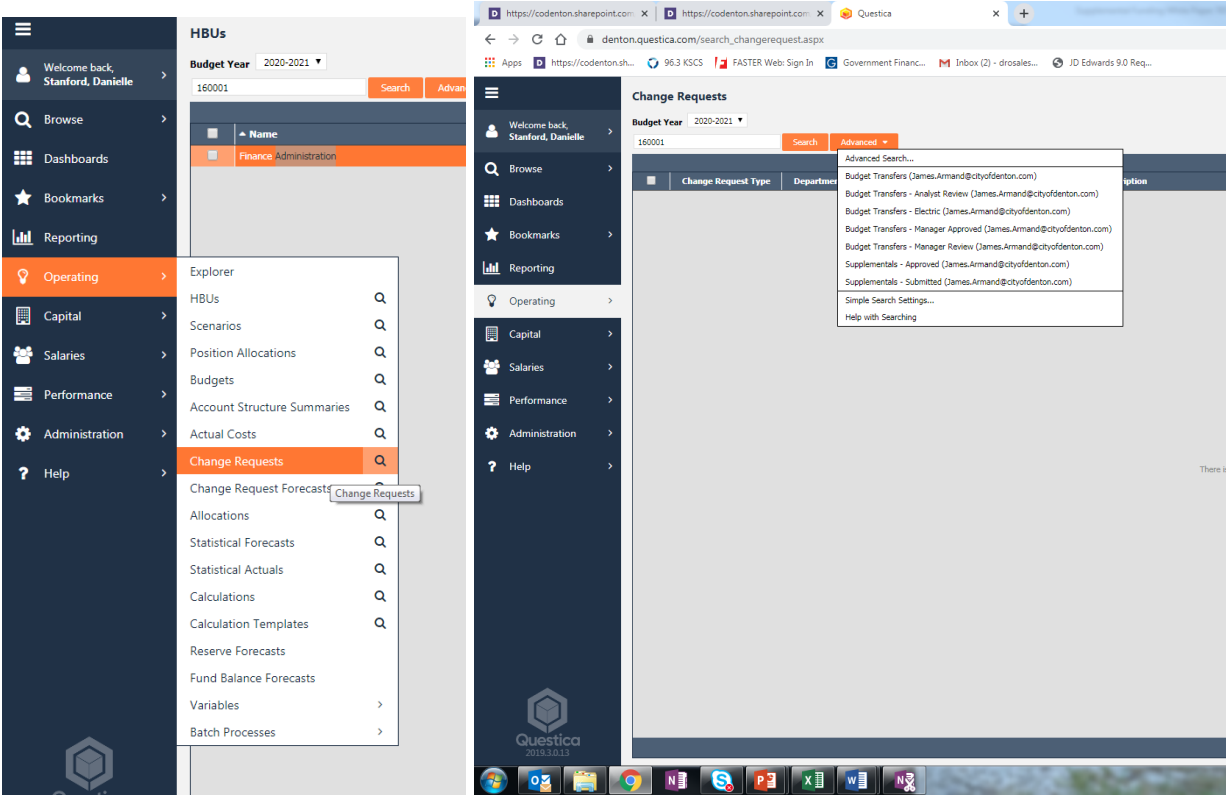
To check the status of a supplemental request, go to Operating > Change Request. Enter the HBU and choose Supplementals – Approved in the Advanced dropdown menu. You may also view submitted supplementals by selecting Supplementals - Submitted.

Budget Entry Approval

When the HBU's budget is complete and ready for the Budget Office to review, select HBU and Promote. Promote to Finance Budget Review. Click OK.
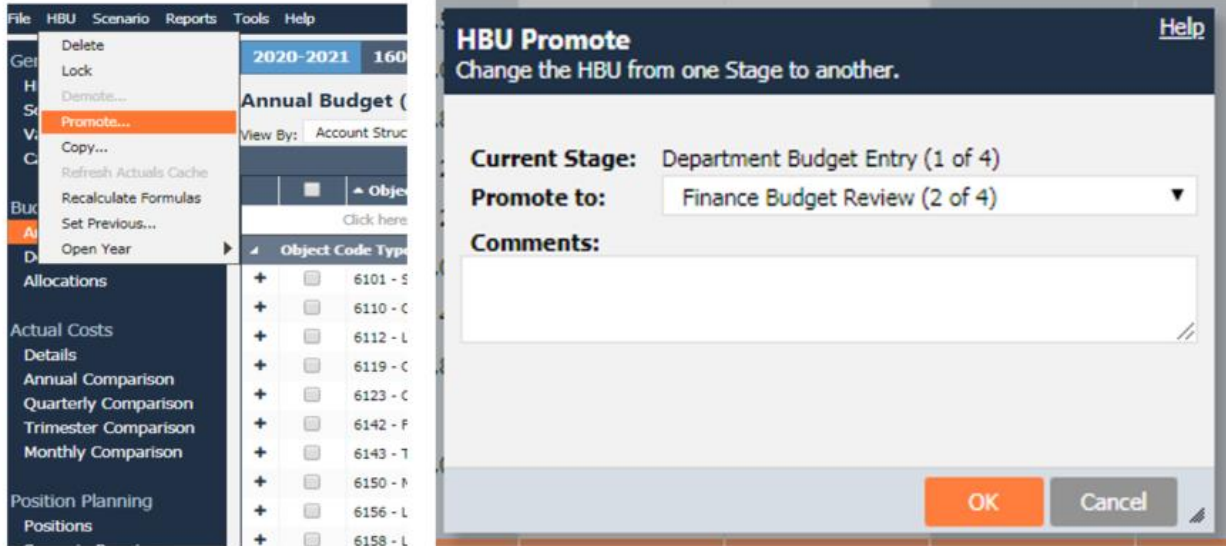
How to prepare the Division I Summary

Each department is required to complete a Division I Summary for their budget. The summary provides a description of each department/division, major accomplishments and goals.

INSTRUCTIONS

The Division I Summary forms have been provided to all departments and can be found in your department folder on the O: drive (O:\Budget 22-23\Operating Budget Documents). Please do not change the format or the font. This is a template for you to enter your department information in. The following three items should be updated on your Division I Summary:

- FY 22-23 Goals
- FY 21-22 Accomplishments
- Performance Metrics Table
  - 3-5 metrics

Ideally, the Division I Summary should be one page; however, the Division I Summary may extend to two pages if needed.

The Division I Summary form must be submitted by **March 25, 2022**. If there are any questions regarding this form, contact the budget team for your division.

PROGRAM DESCRIPTION

It is important to understand the purpose for which a department or division (program) has been created. The program description should convey to the reader the program's mission or purpose, function, and responsibilities. The description should make clear the specific needs of the community, citizens, or customers that fall under the scope of the mission and purpose of the program.

FUTURE GOALS

Use this section to summarize major goals for your division. Avoid listing supplemental packages, or workload goals. Focus on what the primary goal of the division is, and what relates to achieving that goal. The goal may be something you achieve yearly, like a certification, award or level of service.

PRIOR YEAR ACCOMPLISHMENTS

Use this section to outline any major accomplishments, or awards your division has earned in the last fiscal year. Avoid using workload measures or other types of recurring measurements.

PERFORMANCE METRICS

Use this table to identify division-specific metrics.

Finance

The Finance Department is comprised of the Accounting, Budget and Treasury, and Finance Administration divisions. The department is responsible for a variety of functions which include: accounting, accounts payable, payroll, cash management, debt and investment management, budgeting, and long-range financial planning. The department produces quarterly financial reports, prepares the Annual Comprehensive Financial Report (ACFR) and the Annual Program of Services (Budget).

Future Goals in FY 2022-23

➢ *Update the City's financial policies, procedures and complete a reserve requirement analysis for each fund with an appropriable fund balance*
➢ *Develop a financial strategies plan for each department. The strategy will define expectations and deliverables for each department in the City*
➢ *Update the City's water and wastewater impact study to include the Hunter/Cole Ranch Development and other eligible projects*
➢ *Streamline the budget process*
➢ *Provide the Public Utilities Board (PUB) and City Council with a mid-year budget for each utility*
➢ *Continue to update and integrate Questica to improve reporting and meet departmental needs*
➢ *Work with the AP Team to develop a city-wide budget/AP training session*

Prior Year Accomplishments in FY 2021-22

➢ *Completed additional training for departments to help with budget management, including Budget Bootcamp, Questica Training & JDE Training*
➢ *Completed automated timekeeping system for Public Safety*
➢ *Updated City-wide Cash Handling Policy & Training*
➢ *Streamlined unclaimed property process and reporting*
➢ *Implemented GASB 77 – Tax Abatement Disclosure*

Performance Metrics

Performance Metric	2020-21 Actual	2021-22 Goal	2021-22 Estimate	2022-23 Goal
Example 1	1,000,000	1,200,000	1,100,000	1,300,000
Example 2	4	5	4	5
Example 3	95%	95%	96%	95%

Position Planning

How to Verify Positions

1. Open your HBU.

2. On the left menu under Position Planning, click on Positions.

3. All positions entered in Questica for the selected HBU will be listed.

4. Contact your Budget liaison if there is a discrepancy.

5. If you need position costs, please email the budget team.

How to Verify Overtime

1. Open your HBU.

2. On the left menu under Position Planning, click on Scenario Premiums.

3. All overtime entered in Questica for the selected HBU will be listed.

4. Contact your Budget liaison if there is a discrepancy.

5. If you would like to increase overtime, please submit a baseline adjustment request.

Your Overtime List should look like this:

2020-2021	830500 - Tech Svcs - User Support - Main	
Scenario Premiums		
▲ Premium		Description
Overtime - Regular		300 OT Hours for Sr Support Services Specialists
Overtime - Regular		150 OT Hours for Support Services Specialists

To get additional details, double click a line.

You can also access the SQL Personnel Report from this link:

http://datawarehouse01/reports/report/JD%20Edwards/Budget/Positions%20by%20Dept

Budgeting for transfers to Internal Service Funds

The budget team will enter all transfers for Internal Service Funds.

Initially, the transfers out for Tech Services, Fleet Services, Materials Management, Facilities Management, Risk Management and Customer Service will be calculated using the cost allocation model. *As the budget cycle progresses, these will likely be adjusted.* Budget will work with each department as needed to finalize the cost allocation model. In addition, Budget will communicate all adjustments to departments and update department budgets and budget transfers.

Your department may not have a transfer to all Internal Services Funds -- you will only see line items for transfers that your department makes.

When looking at your budget, these transfers to Internal Service Funds can be identified in two ways (depending on which 'View By:' option you use in Questica). These transfers will always begin with object code 8440 in the Interfund Transfers category.

View 1:

Annual Budget (Summary View)

View By: GL Account Summary

GL Category: Interfund Transfers				
+ ☐	Expenditure	Interfund Transf...	8411 - TRSF TO CAPITAL PROJECTS	
+ ☐	Expenditure	Interfund Transf...	8411.0009 - TRSF TO CAP PROJ-GEN GOV	
+ ☐	Expenditure	Interfund Transf...	8440.8300 - ADMIN TRSF - TECH SVCS EXPENSE	72,670

View 2:

Annual Budget (Summary View)

View By: Account Structure Summary

Expenditure	8440.8300 - ADMIN TRSF - TECH SVCS EXPE...	Interfund Transfers		72,670

Budget Monitoring in Questica

Questica offers several reports to assist in the monitoring of budgets. The following are particularly useful and can be accessed under the Reporting tab of the left-hand tool bar on the Questica home screen. Alternatively, contact your department's budget team shown in the table below and we will be happy to run the report for you, show you how to run it, and/or set up regular, automated reports for any HBU you wish.

Budget Team

- **Cassey Ogden**, Finance Director
- **Nick Vincent**, Assistant Finance Director
- **Heather Gray**, Budget Manager

CAPITAL IMPROVEMENT PROJECTS TEAM
CIPbudget@cityofdenton.com
Supervisor – Matt Hamilton
Senior Analyst – Sherly Joseph
Senior Analyst – Sarah Cochran
Analyst – Sunita Gautam

Departments served:
Engineering, Streets, Traffic Facilities, Airport, Fleet, Parks

GENERAL FUND/INTERNAL SERVICE FUND TEAM
Budget@cityofdenton.com
Supervisor – Lee Rodriguez
Senior Analyst – Seth Herrell
Analyst – Bryan Arias

Departments served:
Legal, CMO, Public Affairs, Finance, Economic Development, Community Services, Customer Service, HR, Risk/Health, Police, Safety, Fire, Technology Services, Public Safety Dispatch, Municipal Court, Internal Audit, Procurement, Animal Services, Library, Development Services

UTILITIES TEAM
Utilitiesbudget@cityofdenton.com
Supervisor – Danielle Stanford
Senior Analyst – Dan Galizia
Analyst – Jennifer Gonzalez
Analyst – Miles Walker
Analyst – Lauren Price

Departments served:
DME, Water, Wastewater, Solid Waste

Budget Status Inquiry (Denton)

- Mimics the Budget Status Inquiry Report from JDE. Shows the actuals vs budget for each object code in a HBU for the entire YTD.

HBU Wage Details

- Provides monthly details for Wages, Premiums and Modifiers for one HBU Scenario.

HBU Actual vs Budget Monthly

- Compares actuals and budget for a selected HBU by month. Encumbrances are included in the actuals.

Additional Budget Resources

Questica Training and Budget Bootcamp Presentation

https://codenton.sharepoint.com/sites/CityFinance/SitePages/Budget.aspx

Budget Instruction Manual

\\codad\Global\Budget 22-23\Operating Budget Documents\1 - Department Resources

Budget Kickoff Presentations

https://codenton.sharepoint.com/sites/CityFinance/SitePages/FY-22-23-CIP-Budget.aspx

Finance Share-point Page:

https://codenton.sharepoint.com/sites/CityFinance

NeoGov:

Budget Preparation Workshops FY 2022-2023: https://login.neogov.com/authentication/saml/login/dentontx

(Five workshops available from March 1st – Mar. 8th at varied times)

Please use the link above to access the NeoGov Onboard site. Navigate to the "Course Catalog" and type Budget in the search field to see available Budget workshop dates and times.

Budget Resources:

O:\Budget 22-23\Operating Budget Documents\1 - Department Resources

THE BUDGETING PROCESS IN BRIEF
FY 2022-23
ANNUAL PROGRAM OF SERVICES
(OPERATING BUDGET)

The Budgeting Process in Brief provides an overview of the City of Denton's budget process and budget documents. The City of Denton is preparing a budget designed to meet the highest standards of performance in municipal budgeting. This document provides a summary of all budgeted funds, including both revenue and expenditure summaries. Major budget documents, the budget process, and organization of the budget itself are described below.

MAJOR BUDGET DOCUMENTS

The City of Denton's budget process includes the production of five key documents. It is important to understand the timing and purpose of these documents in order to fully understand the process itself.

1. **The Budget Instruction Manual** (February)

   Prior to budget development, the Budget Instruction Manual is drafted and completed in February. This document serves as a development guide and includes sections on annual budget highlights and specific development instructions, as well as rate calculations, format examples, and supplemental forms.

2. **Long-Range Financial Forecast** (March – July)

   Work sessions are held with City Management and City Council to discuss the preliminary Long-Range Financial Forecast for the City. After these initial meetings, staff prepares a five-year forecast to address key service areas. The forecast is finalized at the end of July and included in the Proposed Budget document.

3. **Proposed Budget Book** (Late July)

   The Proposed Budget includes the Budget Overview and Manager's Message and is submitted to the City Council in late July of each fiscal year. This document represents a balanced version of departmental budget requests versus projected revenues. It also summarizes and identifies key issues with regards to revenues and expenditures for the coming year. The Proposed Budget is a product of policy as expressed by the City Council and is prepared by the City Manager.

4. **Utilities Rate Book and Citywide Schedule of Fees** (November)

   The rates and fees charged by the City's utilities and other departments are discussed throughout the budget process. Any changes to the current fiscal year's fees must be approved by City Council during the budget process.

Typically, updated rates and fee schedules are approved by City Council on the same day as budget adoption.

5. **The Annual Program of Services (Adopted Budget Book)** – Adopted Late September, finalized November – December

The Adopted Budget represents a modified version of the Proposed Budget after public hearings and City Council review in August/September. Any changes deemed necessary by City Council to funding levels or revenue projections are reflected in the Adopted Budget. Revisions may also be made to reflect any updates to budget information.

THE BUDGET PROCESS

The City of Denton uses a program-oriented budgeting process. Each home business unit (HBU) is given a "baseline" funding level based upon the previous year's funding level. Any funding request that represents new expenditures and programs or that is in excess of adjusted baseline funding, must be submitted as a separate change request or "package."

1. *Budget Training for Support Staff/Budget Guideline Review*

   January - February is the time when existing budget guidelines, procedures, and forms are reviewed. Changes may be made to the budget process to make budget development more efficient and address format changes. Instructions for preparing the upcoming fiscal year's budget is provided during budget kickoff. The Budget Team offers workshops and other training throughout the year to assist with budget preparation and management.

2. *Revenue Projection*

   The budget revenue projections for the new fiscal year begin early in the current fiscal year. The projections are made by the departments responsible for the revenues with help from the Finance Department staff. Projections are based upon consultations with state and local agencies, trend analysis, anticipated changes in the local and regional economy, and discussions with directly associated staff members. Although revenue projections are prepared early in the budget process, the budget revenue analysis continues with departmental budget development and extends until the budget is adopted based upon any new information.

3. *Proposed Budget Development*

   During budget development, the Finance Department staff work with departments to analyze requests, provide advice, and lend assistance. Budget requests are based upon a baseline funding level, and any additional funding is made in the form of supplemental requests.

4. *Proposed Budget Analysis/Compilation*

Once division and departmental budget requests are complete, the Finance Department reviews and compiles a preliminary draft of departmental budgets to present to the Management Team, which is comprised of the City Manager and Assistant City Managers. Next, a total recommended funding level is determined from both baseline and proposed supplemental packages. At this time, the funding level is weighed against available resources. A tax rate increase may or may not be recommended depending upon City Council program priorities and issues previously expressed in the budget process.

5. *Long-Range Financial Forecast*

Work sessions are held with City Management and City Council to discuss the preliminary Long-Range Financial Forecast for the City. After these initial meetings, staff prepares a five-year forecast to address key service areas. The forecast is finalized at the end of July and included in the Proposed Budget document.

6. *City Council Budget Workshop*

The Proposed Budget is compiled as soon as possible after final appraised property value and other data are received. This report highlights and summarizes funding requirements, major changes in programs, and alternatives for funding.

A budget work session is held with the City Council to review and discuss the Proposed Budget. Discussions and study may follow at subsequent work sessions until budget adoption. City Council may take action to modify the Proposed Budget.

7. *Public Hearing/Budget Adoption*

A public hearing on the budget and two public hearings on the tax rate (if necessary) are held in August and September prior to final budget consideration. At the public hearings, citizens may make formal comments concerning the proposed budget and tax rate.

Budget adoption occurs in September after City Council deliberations and the public hearings. The City Council also adopts a tax rate to support adopted funding levels. Pursuant to City Charter, the Proposed Budget as submitted by the City Manager becomes the adopted budget if no City Council action is taken before the end of the fiscal year, September 30.

8. *Compilation of Adopted Budget/Budget Maintenance*

An Adopted Budget is compiled and published during the first months of the new fiscal year. The Adopted Budget in the form of an amended proposed budget is available for public inspection in December. Budget maintenance is a year-round activity of the organization. Spending controls consist of budget holds, position control reviews, and budget

transfer authorizations for unbudgeted expenses. Additional spending control mechanisms include monthly review of expenditures by the Finance Department. During the budget process, departments make revenue and expenditure estimates for the current year. Finally, program goals, objectives, and measures are evaluated during budget development to determine effectiveness of program activities and levels of appropriate funding for subsequent years.

ORGANIZATION OF THE BUDGET DOCUMENT

Included in the Financial Summary section is a schedule entitled "Projected Appropriable Fund Balances." This schedule provides the projected appropriable fund balances anticipated at the end of each fiscal year. The 2021-22 fiscal year-end fund balance is based on proposed 2021-22 revenue and expenditures. This information will be most helpful in determining whether fund balances are too high or too low with regard to goals set forth by the City Council. The General Fund Revenue Summary in the Financial Summary section describes the major revenue categories for the City of Denton, as well as, the various individual sources of those revenues.

BUDGETARY POLICIES

The City of Denton has developed administrative policies, which govern the formulation and administration of the annual budget. These administrative policies are incorporated within the City's Administrative Policies and Procedures Manual.

FINANCIAL STRUCTURE

The financial structure of the budget is organized by funds. A fund is generally defined as a fiscal and accounting entity which has its own self-balancing set of accounts for recording cash and other financial resources, as well as, any liabilities or residual equities or balances. Normally, funds are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. However, when appropriate, funds are made up of departments. The three types of funds utilized in this budget are Governmental Funds, Internal Service Funds, and Enterprise Funds. Each fund operates separately and independently from one another; therefore, they are budgeted separately and include separate financial statements. More information about the specific funds budgeted each year can be found in the Reader's Guide section in the Annual Program of Services.

BUDGETED FUNDS

The City of Denton's budget consists of various funds. Each fund represents a specific function and maintains individual objectives. The City of Denton's budget includes the following funds:

General Fund–General Fund reflects the City's general service operations such as public safety, libraries, parks, and streets. The General Fund's two major revenue sources are sales and ad valorem taxes.

Debt Service Fund–Debt Service Fund is used to record and control the accumulation of resources for payment of general obligation long-term debt principal and interest. The City issues debt to acquire or construct capital assets such as roads or parks for the general benefit of Denton citizens. Resources include an applicable portion of the ad valorem tax levy and related interest income usable from debt service.

Special Revenue Funds–Special Revenue Funds are used to account for the receipt of specific revenue sources that are restricted for expenditures for a specified purpose. Special Revenue funds are listed below.

Recreation Fund - The Recreation Fund is used to account for the Parks and Recreation programs, such as children's programs and recreation center programs, which are self-supporting.

Street Improvement Fund - The Street Improvement Fund was established in FY 2011-12. The purpose of the fund is to provide a dedicated mechanism to account for street maintenance and improvement activities. The Street Improvement Fund receives revenue from a portion of franchise fees previously accounted for in the General Fund.

Roadway Impact Fee Fund **-** The Roadway Impact Fee Fund was established in FY 2015-2016 to record the receipt and expenditure of impact fees associated with development affecting city roadways.

Downtown Tax Increment Reinvestment Zone (TIRZ) Fund - The Downtown TIRZ Fund will be used for downtown development projects, and it accounts for the tax revenues that are collected above the FY 2010-11 level in the downtown area.

Tourist and Convention Fund - This fund reports the receipt and distribution of the City's Hotel Occupancy Tax, which is levied at 7% of room rental rates. Each October the City Council enters into contracts with various organizations that will promote tourism and the convention and hotel industry in Denton.

Economic Development Investment Fund - The Economic Development Investment Fund was created in FY 2015-16. The function of the fund was established by ordinance during FY 2015-16.

Police Confiscation Fund - The Police Confiscation Fund is used to record the receipt and expenditure of confiscated contraband that is used in the commission of a variety of criminal offenses. Expenditures

from this fund are allocated to the Police Department for materials, supplies, and operations costs.

Traffic Safety Fund - The Traffic Safety Fund is used to record the receipt of citations from red light camera violations. Revenues from this fund are used for materials to enhance traffic safety operations in the Police Department and Traffic Department.

Parks Gas Well Fund - The Parks Gas Well Fund was established to record the receipt of restricted gas well revenues on park property. Expenditures from this fund will be used for park system projects.

Tree Mitigation Fund - The Tree Mitigation Fund is used to purchase, plant, and maintain trees on public property, to preserve wooded property that remains in a naturalistic state in perpetuity, to perform and maintain a city-wide tree inventory, and to educate citizens and developers on the benefits and value of trees.

Public Education Government (PEG) Fund - The PEG Fund provides for the acquisition of production equipment, capital, and other lawful PEG purposes. PEG fees are remitted to the city on a quarterly basis from cable subscribers.

McKenna Trust Fund - The McKenna Trust Fund was established by George McKenna in 1959. One-half of the net income from this fund is distributed to Cook Children's Hospital and one-half of the net income is distributed to the McKenna Park Trust Fund for use only in maintaining, developing, preserving, and improving the George McKenna Park in the City.

Park Land Dedication and Development Trust Funds - The Park Land Dedication and Development Trust Funds are funds received from developers. These fees provide for neighborhood parks and projects within ½ to 1-mile radius of the development.

Westpark Tax Increment Reinvestment Zone (TIRZ) Fund - The Westpark TIRZ Fund will be used for development projects and to account for the tax revenues that are collected above the FY 2012-13 level in the Westpark area, located near the Denton Enterprise Airport.

Sustainability Framework Fund - The Sustainability Fund was created for sustainability initiatives as recommended by City Council. (City Ordinance 21-1689)

Miscellaneous Special Revenue Funds - The Miscellaneous Special Revenue Fund is comprised of the Animal Control Donation Fund, Police Donation Fund, Library Donation Fund, and Fire Donation Fund.

Enterprise Funds–funds are used to account for governmental activities that are similar to those found in private businesses. The City budget includes Electric, Water, Wastewater, Solid Waste, and Airport Enterprise Funds. Each fund reflects the services denoted in the title of each fund. The major revenue source for these enterprise funds is the rate revenue generated from the customers who receive the services provided.

Internal Service Funds–Service Funds are used to account for the financing of goods or services provided by one department to another department within the same government organization. Financing is based on reimbursement of actual costs. The internal service funds are Fleet Management, Customer Service, Technology Services, Materials Management, Risk Retention, Engineering Services Fund, and Health Insurance. Each internal service fund listed is funded through payments from various City departments for the actual services received from the specific fund.

Fleet Services Fund — The Fleet Management Fund accounts for the purchase, maintenance and repair of the City's vehicle and equipment fleet.

Customer Service Fund — The Customer Service Fund is responsible for tracking utility service, producing bills, and collecting revenue from customers.

Technology Services Fund – The Technology Services Fund provides computer services such as programming, support, training, and maintenance of the City's computer resources and telephone maintenance.

Materials Management Fund – The Materials Management Fund is comprised of purchasing and warehouse operations. This internal service fund is responsible for procuring goods and services for City departments and the warehouse maintains an inventory of materials and supplies used by City departments.

Risk Retention Fund – The Risk Retention Fund records the activities associated with providing general liability insurance coverage and self-funded activities for City operations.

Health Insurance Fund – The Health Insurance Fund accommodates self-insurance operations.

Engineering Services Fund — The Engineering Services Fund is comprised of engineering, engineering inspections, real estate, and development review. This fund is responsible for the construction of city capital infrastructure, the inspection of public and private commercial construction, and the review of all development related projects.

Facilities Management Fund — The Facilities Management Fund is responsible for maintaining all city owned facilities and vertical construction projects. The fund balance is not currently restricted by a specific fund balance policy or City ordinance.

BUDGET BASIS

The budget for the General, Special Revenue, Debt Service, and Capital Improvement Program (CIP) Funds are prepared on the modified accrual basis of accounting. Under this basis of accounting, revenues are recognized when they become both "measurable" and "available" to finance expenditures of the current period except where the accrual basis is specified by generally accepted accounting principles. Expenditures are recognized when the related fund liability is incurred, except for (1) inventories of material and supplies which may be considered expenditures either when purchased or when used; (2) prepaid insurance and similar items which need not be reported; (3) accumulated unpaid vacation, sick pay, and other employee benefit amounts which need not be recognized in the current period; (4) interest on special assessment indebtedness which may be recorded when due rather than accrued, if approximately offset by interest earnings on special assessment levies; and (5) principal and interest on long-term debts which are generally recognized when due. Budgets for the Enterprise and Internal Service Funds are prepared on the full accrual basis of accounting under which transactions are recognized when they occur regardless of timing or related cash flows.

ORGANIZATIONAL RELATIONSHIPS

A department is a major administrative segment of the City, which indicates overall management responsibility for an operation or a group of related operations within a functional area. The smallest organizational unit budgeted is the division. The division indicates responsibility for one functional area, and in many cases these functional areas are put together to demonstrate a broader responsibility. When this is done, the divisions are combined to make up a department.