

SECTION VI--BUDGET AND APPROPRIATIONS

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The budget is the master financial plan of the municipality, showing the proposed cost for each function of activity and the proposed means of financing them. The budget should not be thought of merely as a means of determining the amount to be raised by tax levy to supplement other revenues.

The budget should be comprehensive, covering all proposed expenditures and all anticipated receipts and revenues, regardless of source. Expenditure estimates should be in sufficient detail to show the need for the appropriations requested, and cover all items, whether for ordinary operations or capital outlay. Revenue estimates should be made with due consideration for possible failure to realize the full amount anticipated, and thereby avoid the possibility of revenue deficits during the fiscal year.

In addition to being required by statute (SDCL 9-21-2), the necessity of preparation and use of a budget cannot be overemphasized.

The annual budgetary process involves three steps: preparation, adoption and execution. The preparation phase of the budgetary process is a responsibility of the auditor or finance officer and is accomplished by the correlation of financial data produced by the accounting system and the projected program requirements of the various functions and activities for which a particular municipality may have responsibility. The provisional budget is presented to the governing body for consideration, possible modification and final enactment, not later than the first meeting in September, or within ten days thereafter (SDCL 9-21-2).