

Cite specific page references on the lines in response to each question.

The Budget as a Policy Document (PD)

- PD1. **Mandatory:** The document should include a coherent statement of entity-wide long-term financial policies.
- Is there a summary of financial policies and goals? _____
 - Do the financial policies include the entity’s definition of a balanced budget? _____
 - Are all financial policies presented in one place? _____
- PD2. The document should include a coherent statement of entity-wide, non-financial goals and objectives that address long-term concerns and issues.
- Are non-financial policies/goals included? _____
 - Are these policies/goals included together in the Budget Message or in another section that is separate from the departmental sections? _____
- PD3. The document should describe the entity’s short-term initiatives that guide the development of the budget for the upcoming year.
- Are short-term initiatives included? _____
 - Does the document discuss how the short-term initiatives guided the development of the annual budget?

 - Are changes in staffing levels for the budget year explained? _____
 - If there are no changes in staffing levels, is that item noted? _____
- PD4. **Mandatory:** The document shall include a budget message that articulates priorities and issues for the budget for the new year. The message should describe significant changes in priorities from the current year and explain the factors that led to those changes. The message may take one of several forms (*e.g., transmittal letter, budget summary section*).
- Does the message highlight the principal issues facing the governing body in developing the budget (*e.g., policy issues, economic factors, regulatory, and legislative challenges*)? _____
 - Does the message describe the action to be taken to address these issues? _____
 - Does the message explain how the priorities for the budget year differ from the priorities of the current year? _____
 - Is the message comprehensive enough to address the entire entity? _____
- PD5. The document should include clearly stated goals and objectives of organizational units (*e.g., departments, divisions, offices or programs*).
- Are unit goals and objectives identified? _____
 - Are unit goals clearly linked to the overall goals of the entity? _____
 - Are short-term objectives quantifiable? _____

The Budget as a Financial Plan (FP)

- FP1. The document should include and describe all funds that are subject to appropriation.
- Is a narrative or graphic overview of the entity’s budgetary fund structure included in the document?

 - Does the document indicate which funds are appropriated? (Other funds for which financial plans are prepared also may be included in the document.) _____
 - Does the document include a description of each individual major fund included within the document?

 - If additional or fewer funds are included in the audited financial statements, does the document indicate this fact? _____

- FP2. **Mandatory:** The document shall present a summary of major revenues and expenditures, as well as other financing sources and uses, to provide an overview of the total resources budgeted by the organization.
- Does the document include an overview of revenues and other financing sources and expenditures and other financing uses of all appropriated funds? _____
 - Are revenues and other financing sources and expenditures and other financing uses presented either (1) together in a single schedule OR (2) in separate but adjacent/sequential schedules OR (3) in a matrix? _____
 - Are revenues presented by major type in this schedule (*e.g., property taxes, intergovernmental, sales taxes, fees, and charges*)? _____
 - Are expenditures presented by function, organizational unit, or object in this schedule? (For funds other than the main operating fund of the entity, a presentation by fund normally would satisfy this requirement.) _____
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- FP3. **Mandatory:** The document shall include summaries of revenues and other financing sources, and of expenditures and other financing uses for the prior year actual, the current year budget and/or estimated current year actual, and proposed budget year.
- For annual budgets, are revenues and other financing sources and expenditures and other financing uses for the prior year, the current year, and the budget year presented together on the same schedule(s) or on schedules presented on adjacent/sequential pages? _____
 - Is this information presented for the appropriated funds in total (or for the entity as a whole if no appropriated funds are included)? _____
 - Is this information also presented at a minimum for each major fund and for other (*e.g., nonmajor*) funds in the aggregate (or for each significant fund and other funds in the aggregate if no appropriated funds are included)? _____
 - For biennial budgets, are revenues and other financing sources and expenditures and other financing uses for the prior year, the current year, and both budget years presented together on the same schedule(s) or on separate schedules presented on adjacent/sequential pages? _____
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- FP4. **Mandatory:** The document shall describe major revenue sources, explain the underlying assumptions for the revenue estimates, and discuss significant revenue trends.
- Are individual revenue sources described? _____
 - Do the revenue sources that are described represent at least 75 percent of the total revenues of all appropriated funds? _____
 - Are the methods used to estimate revenues for the budget year described (*e.g., trend analysis, estimates from another government or consulting firm*)? _____
 - If revenues are projected based on trend information, are both those trends and the underlying assumptions adequately described? _____
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- FP5. **Mandatory:** The document shall include projected changes in fund balances, as defined by the entity in the document, for appropriated governmental funds included in the budget presentation (fund equity if no governmental funds are included in the document).
- Does the document include the entity’s definition of “fund balance” (or of “fund equity” if no governmental funds are included in the entity - frequently the noncapital portion of net assets)? _____
 - Is the fund balance (equity) information presented for the budget year? _____
 - Is there a schedule showing (1) beginning fund balances, (2) increases and decreases in total fund balances (reported separately), and (3) ending fund balances for appropriated governmental funds? _____
 - Is this information presented at a minimum for each major fund and for nonmajor governmental funds in the aggregate? _____
 - If fund balances of any major fund or the nonmajor funds in the aggregate are anticipated to increase or decline by more than 10%, does the document include a discussion of the causes and/or consequences of these changes in fund balance? _____
 - If an entity has no governmental funds, is the change in the fund equity presented for (1) the entity as a whole, (2) the main operating fund, and (3) each significant fund? _____
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FP 5. **Mandatory** (Continued)

- If an entity has no governmental funds and the fund equity of any significant fund or other funds in the aggregate is anticipated to change by more than 10%, does the document include a discussion of the causes and/or consequences of any change in fund equity that is greater than 10% in either a significant fund or other funds in the aggregate? _____
- For biennial budgets is the change in fund equity presented separately for both years of the biennium? _____

FP6. **Mandatory:** The document should include budgeted capital expenditures, whether authorized in the operating budget or in a separate capital budget.

- Does the document define “capital expenditures”? _____
- Does the document indicate the total dollar amount of capital expenditures for the budget year (both budget years for biennial budgets)? _____
- Are significant nonroutine capital expenditures described along with dollar amounts? (Information in a separate CIP document does not satisfy this criterion.) _____
- If the entity has no significant nonroutine capital expenditures, is that fact clearly stated in the document? _____

FP7. The document should describe if and to what extent significant nonroutine capital expenditures will affect the entity’s current and future operating budget and the services that the entity provides.

- Are anticipated operating costs associated with significant nonroutine capital expenditures described and quantified (*e.g., additional personnel costs, additional maintenance costs, or additional utility costs*)? (Information in a separate CIP document does not satisfy this criterion.) _____
- Are anticipated savings or revenues expected to result from significant nonroutine capital expenditures described and quantified (*e.g., reduced utility costs, lower maintenance costs*)? _____

FP8. **Mandatory:** The document shall include financial data on current debt obligations, describe the relationship between current debt levels and legal debt limits, and explain the effects of existing debt levels on current and future operations.

- Is the entity’s debt policy described? _____
- If the entity has legal debt limits:
 - Are debt limits described? _____
 - Are the amounts of debt limits expressed in terms of total dollars, millage rates or percentages of assessed value? _____
 - Are the amounts of debt subject to debt limits identified in the same terms used to describe the debt limits themselves? _____
- If the entity has no legal debt limits, is that fact clearly stated within the budget document? _____
- If the entity does not have and does not intend to issue debt, is that fact clearly stated? _____
- Is the amount of principal and interest payments for the budget year (two years for biennial budgets) shown for each major fund (for appropriated funds), for each significant unappropriated fund and for other funds in the aggregate? _____

FP9. The document shall explain the basis of budgeting for all funds, whether cash, modified accrual, or some other statutory basis.

- Is the basis of budgeting defined (*e.g., modified accrual, cash, or accrual*) for all funds included in the document)? _____
- If the basis of budgeting is the same as the basis of accounting used in the entity’s audited financial statements, is that fact clearly stated? _____
- If the basis of budgeting is not the same as the basis of accounting used in the entity’s audited financial statements, are the differences described? _____

The Budget as an Operations Guide (OG)

- OG1. **Mandatory:** The document shall describe activities, services or functions carried out by organizational units.
- Does the document clearly present the organizational units (*e.g., divisions, departments, offices, agencies, or programs*)? _____
 - Does the document provide descriptions of each organizational unit? _____
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- OG2. The document should provide objective measures of progress toward accomplishing the government's mission as well as goals and objectives for specific units and programs.
- Are performance data for individual departments included in the document? _____
 - Are performance data directly related to the stated goals and objectives of the unit? _____
 - Do performance measures focus on results and accomplishments (*e.g., output measures, efficiency and effectiveness measures*) rather than inputs (*e.g., dollars spent*)? _____
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- OG3. **Mandatory:** The document shall include an organization chart(s) for the entire organization.
- Is an organization chart provided which shows the entire entity? _____
- OG4. **Mandatory:** A schedule or summary table of personnel or position counts for prior, current and budgeted years shall be provided.
- Is a summary table of position counts provided for the entire entity? _____
 - Does the table include the prior year, the current year, and budget year position counts? _____
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The Budget as a Communications Device (CD)

- CD1. The document should provide summary information, including an overview of significant budgetary issues, trends, and resource choices. Summary information should be presented within the budget document either in a separate section (*e.g., executive summary*) or integrated within the transmittal letter or other overview sections, or as a separate budget-in-brief.
- Is summary information contained in the budget message/transmittal letter, overview section, or in a separate budget-in-brief document? _____
 - Is summary information on significant budgetary issues conveyed in an easy to read format? _____
 - Is summary information on budgetary trends provided? _____
- CD2. The document should explain the effect, if any, of other planning processes (*e.g., strategic plans, long-range financial plans, and capital improvement plans*) upon the budget and budget process.
- Are other planning processes, (*e.g., strategic plans, long-range plans, and capital improvement plans*) identified? _____
 - Are the effects of other planning processes on the current budget explained? _____
 - Are the long-term implications of other planning processes discussed? _____
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- CD3. **Mandatory:** The document shall describe the process for preparing, reviewing and adopting the budget for the coming fiscal year. It also should describe the procedures for amending the budget after adoption.
- Is a description of the process used to develop, review, and adopt the budget included in the document? _____
 - Is a budget calendar provided to supplement (not replace) the narrative information on the budget process? _____
 - Is a discussion of how the budget is amended provided in the budget document available to the public (including the budgetary level of control)? _____
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- CD4. **Mandatory:** Charts and graphs should be used, where appropriate, to highlight financial and statistical information. Narrative interpretation should be provided when the messages conveyed by the graphs are not self-evident.
- Are charts and graphs used in the document to convey essential information (*e.g., key policies, trends, choices and impacts*)? _____
 - Do the graphics supplement the information contained in the narrative? _____
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- CD5. The document should provide narrative, tables, schedules, or matrices to show the relationship between functional units, major funds, and nonmajor funds in the aggregate.
- Is the relationship between the entity's functional units, major funds, and nonmajor funds in the aggregate explained or illustrated? _____
- CD6. **Mandatory:** The document shall include a table of contents to make it easy to locate information in the document
- Is a comprehensive table of contents provided to help the reader locate information in the document? _____
 - Are all pages in the document numbered or otherwise identified? _____
 - Do the page number references in the budget or electronic table of contents agree with the related page numbers in the budget or electronic submission? _____
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- CD7. A glossary should be included for any terminology (including abbreviations and acronyms) that is not readily understandable to a reasonably informed lay reader.
- Is a glossary that defines technical terms related to finance and accounting, as well as non-financial terms related to the entity, included in the document? _____
 - Are acronyms or abbreviations used in the document defined in the glossary? _____
 - Is the glossary written in non-technical language? _____
- CD8. The document should include statistical and supplemental data that describe the organization, its community, and population. It should also furnish other pertinent background information related to the services provided.
- Is statistical information that defines the community included in the document (*e.g., population, composition of population, land area, and average household income*)? _____
 - Is supplemental information on the local economy included in the document (*e.g., major industries, top taxpayers, employment levels, and comparisons to other local communities*)? _____
 - Is other pertinent information on the community (*e.g., local history, location, public safety, education, culture, recreation, transportation, healthcare, utilities, and governmental structure*) included in the document? _____
- CD9. The document should be produced and formatted in such a way as to enhance its understanding by the average reader. It should be attractive, consistent, and oriented to the reader's needs.
- Is page formatting consistent? _____
 - Are the main sections of the document easily identifiable? _____
 - Is the level of detail appropriate? _____
 - Are text, tables, and graphs legible? _____
 - Are budget numbers in the document accurate and consistent throughout the document? _____
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PLEASE NOTE:

- ◆ Outstanding ratings by all three reviewers on financial plan #6 and financial plan #7 and proficient ratings by all three reviewers on communications device #2 will result in special capital recognition.
- ◆ Outstanding ratings by all three reviews on operations guide #2, outstanding ratings by at least two reviewers on policy document #5, and at least proficient ratings by all three reviewers on policy document #2 will result in special performance measures recognition.