



MTECC Procedure 8.10.10

Approved: _____
Interim Executive Director

BUDGET DEVELOPMENT PROCEDURE

Introduction

The Metro Transportation Engineering and Construction Cooperative (MTECC) has a responsibility to appropriately plan for and strategically manage the funding provided by the members of the cooperative as well as any federal, state, and local funds. The annual budget and multi-year capital plan are effectively a plan of activities consistent with the strategic plans of the members and the resources required to achieve those goals.

Budgeting is a means of understanding the resources required for the MTECC to provide services necessary to provide for the administrative services and support the projects being delivered by MTECC on behalf of its members. At the top of the budget hierarchy, there are two major kinds of budgets, an operating budget, and a capital budget. Capital and operating budgets are developed through different processes and have different criteria for prioritizing and deciding spending needs, but they greatly affect one another. A carefully crafted budget is a powerful management tool that can help:

- Establish a sound fiscal framework for proper monitoring
- Create accountability and ensure transparency of the planned use of public funds
- Assist in prioritizing programs and service levels based on funding availability

Authority

- Chapter 163 Interlocal Agency Agreement
- Section 166.241, Florida Statutes

Budget Development Process - Operating

Preparing an operating budget gives the MTECC the ability to effectively manage its resources to ensure the proper mix of costs and services as well as the most effective and efficient use of its dollars. The annual operating budget will include the following key components:

Estimated Revenues:

- Carryover from the current year/prior years
- MTECC member contributions and annual dues.
- Other support
- Grant revenue supporting in-house and ongoing contracted resources that are project specific



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Prior Year Information:

- Calculating the end-of-year projection is critical to track the MTECC's end-of-year financial condition when making decisions for the upcoming fiscal year.

Forecasted Expenditures:

- Staff identified by FTE and table of organization
- Staff salaries, benefits and related expenses
- Travel
- Training
- Supplies
- Legal support
- Finance and Accounting
- Annual Financial Report and Audit
- Procurement
- Contract Management
- Insurance
- Office Rent
- General Engineering Support
- Other requirements

The end-of-year projections, together with the membership contributions/annual fees, are the major components from which MTECC develops the Proposed Budget. Accurate projections allow the MTECC to effectively manage the limited revenues and expenditures appropriately when making decisions on attaining strategic goals.

Budget Development Process - Capital

Starting The Capital Budget Development Process

The Capital budgets shall be accumulated from the first year of the Multi-Year Work Plan and linked to supporting grant funds for each project budget.

Budget Development Schedule

The MTECC Executive Director shall ensure that the proposed budget is ready for review by the MTECC Board no later than the end of May for the subsequent fiscal year beginning October 1.

The proposed budget will be presented to the MTECC Board in June for review, comment and follow up by the MTECC Executive Director. The Executive Director shall update the proposed budget and present to the MTECC Board for review and final adoption in their September meeting to be effective October 1.



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Budget Reporting

The MTECC Executive Director shall provide a Budget to Actual report to the MTECC Board at each meeting that includes the following information:

- Budgeted Revenues compared to actual revenues year to date for each major revenue source
- Budgeted Operating Budget compared to actual operating expenditures year to date for each major category
- Coordinate with the Multi-Year Project Plan for the current year and reporting for each project
- Explanations of any major deviations of actual revenues or expenditures compared to budget for each major revenue source or expenditure category



Budget Submission Checklist

- Did the MTECC Executive Director submit updated Tables of Organization (functional and staffing chart)?
- Did the MTECC Executive Director applied for grants supporting the operating and capital budget?
- Did the Executive Director submit any operating enhancements? Were these enhancements provided separately with appropriate justification?
- Did the Executive Director submit any operating reductions? Were these reductions provided separately? Is this considered a reduction or operating efficiency?
- If reductions in existing services are necessary, which services would be eliminated first? Which services would be scaled back? Which service, if scaled back, would become unproductive? What efficiencies can generate savings within existing services? Is there a performance impact as a result?
- Did the Executive Director overestimate and/or underestimate its revenues in the prior year? Were there any changes to its revenues and why?
- Did the Executive Director submit a complete capital budget that matches the Multi-Year Project Plan? If no, why not? Does the revenue source match its project budgets?
- Did the Executive Director present the proposed budget by May 31?
- Did the Executive Director update its operating/capital proposed budget based on input from the MTECC Board and present by July 31