

SD DEPARTMENT OF REVENUE AND REGULATION

PROPERTY AND SPECIAL TAXES DIVISION
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TO: All County Auditors

FROM: Department of Revenue and Regulation and
Department of Legislative Audit

SUBJECT: County Budgets for FY 2011

DATE: April 14, 2010

Enclosed are the budget forms to be used in preparing the county's provisional/annual budget for FY 2011. The procedures for completing the budget should generally be executed in the following manner:

1. Around May 15, the county auditor should prepare the "Departmental Budget Request" and "Highway Department Budget Request" worksheets, in duplicate, by completing the "Amount Expended Prior Year" and "Budget for Current Year" columns, and distribute them to the appropriate department head or official responsible for administering the budget for each activity.
2. The respective department heads or officials should complete the "Amount Requested" column and return the worksheets to the county auditor around June 1.
3. Around June 1, the county auditor should complete the "Cash Balance Estimation Worksheet" for all county funds. The amounts of estimated cash balances determined on this worksheet should be recorded on the "Budget Worksheet Estimated Revenue" Estimated Cash Balance line for each fund.
4. After determining the estimated cash balances, the county auditor should complete the actual and estimated revenue columns on the "Budget Worksheet Estimated Revenue" forms for each budgeted fund.
5. All budget worksheets should be accumulated by the county auditor and submitted to the board of county commissioners for their review. The board should complete the "Amount Approved" columns on the Departmental Budget Request Forms, and return all forms to the county auditor.
6. The "Worksheet to Determine Compliance with SDCL 7-21-18.1" should be completed only for the General Fund.
7. The county auditor should prepare the "Provisional Budget" form from the Departmental Budget Request Worksheets and the previous year's annual budget and submit the "Provisional Budget" and the supporting worksheet to the board for their approval. The "Provisional Budget" should be returned to the county auditor no later than July 30.

8. The county commissioners should publish the provisional budget and notice of hearing to be held on the first Tuesday in September in the official legal newspapers. A second notice of hearing (without the text of the provisional budget) shall be published the following week. The publications must be completed before the first Tuesday in September. (SDCL 7-21-8 and 8.1)
9. The board of county commissioners must meet before October 1st to adopt the provisional budget as the annual budget. Any changes in the provisional budget incorporated into the annual budget shall be published in the minutes of the board. (SDCL 7-21-12). The resolution together with the annual budget so adopted shall be signed by the members of the board, attested by the county auditor and filed with the county auditor. (SDCL 7-21-13). The resolution, including the tax levies, should be published in the minutes of the board; however, the text of the annual budget need not be published in the minutes.
10. A copy of the annual budget and a report of the annual levies are to be filed with the Department of Revenue BEFORE TAXES ARE EXTENDED on the tax lists.
11. A copy of the "Departmental Budget Request" worksheets indicating the approved budgets should be returned to the appropriate department head or official, and a copy of retained by the county auditor so that the appropriate entries can be made in the accounting records.
12. It is necessary to retain all budget, estimated revenue, and surplus cash balance worksheets for audit purposes.

SPECIAL NOTES:

Submit Annual Budget to the Department of Revenue (pages 1 through 7) as soon as possible. DO NOT WAIT AND SUBMIT IT WITH LEVY SHEETS (PT73, 74 AND 75).

The county highway fund is handled in the budget mostly as a one line item. On the budget itself, it is grouped together. However, when you specify the tax request on the resolution page, you need to specify how it is broken out (Secondary Road, Snow, County Highway and Bridge Reserve, general) and the amount from each fund. The fund is combined, but the LEVIES ARE NOT. Remember – you can only levy Secondary Road on the unorganized portion which is not within a road district.

Questions regarding budgeting procedures should be directed to Deene Dayton at the Department of Legislative Audit (773-5932), Colleen Skinner at the Department of Revenue and Regulation (773-5120), or Wendy Semmler at the Department of Revenue and Regulation (773-4923).

NOTE: All budget forms are available on-line at:

<http://www.state.sd.us/drr2/prospectax/property/auditor.htm>