

POLICY 430.08: ANNUAL BUDGET PREPARATION

OBJECTIVE	To provide instructions for developing and submitting the Aviation Authority's annual budget.
METHOD	The budget is the annual detailed financial operating plan for the coordination of the Aviation Authority's resources and expenditures. It is prepared for the purpose of providing the best possible program for the least possible cost. The budget is more than a financial document--it represents the strategic planning and policy making process which determines the quality and quantity of services to be furnished by the Aviation Authority for the ensuing fiscal year.
VICE PRESIDENTS AND DEPARTMENT MANAGERS	The budget process provides each Department Vice President an opportunity to examine the program of operation, to propose changes in services, to recommend revisions in organizations and methods, and to outline requirements for capital expenditures and capital improvements. In so doing, each must strive continually to upgrade services while developing means of reducing costs.
AVIATION AUTHORITY BOARD AIRLINE/AIRPORT AFFAIRS COMMITTEE	The Aviation Authority provides the Airline/Airport Affairs Committee with the opportunity to discuss the annual Revenue, Operations, Maintenance, and capital budgets.
PUBLIC	A public hearing is conducted by the City of Orlando City Council, and following the public hearing, the Aviation Authority adopts the budget prior to the commencement of the next fiscal year. The adopted budget provides a complete summary of the services to be rendered by the Aviation Authority for the ensuing year, along with the anticipated revenue necessary for the accomplishment of the program.
ADMINISTRATION CONTROLS AND REVIEW	To be a successful financial plan carrying out the Aviation Authority's objectives, the budget must have effective management and fiscal controls. After the proposed budget is adopted by resolution of the Aviation Authority, it is submitted to the City of Orlando City Council for public hearing, which is attended by the Chairman and the Chief

Executive Officer or designee. Following the City of Orlando City Council public hearing, the Aviation Authority, at any meeting prior to the commencement of the next fiscal year, adopts the budget by resolution.

The revenue estimates and appropriations in the adopted budget are then incorporated into the financial accounting system.

Through daily encumbrance of financial commitments and constant updating of appropriation balance reports, a basis is provided for continuous fiscal control of Aviation Authority operations throughout the year.

Monthly, quarterly, and annual reports of revenue and expenditures compared with budgeted amounts provide the basis for management review of financial operations and assure compliance with the provisions of the Aviation Authority Budget.

CALENDAR

The budget calendar will be established by the Office of Management and Budget.

BUDGET PREPARATION AND RESPONSIBILITY

The Chief Financial Officer, under the direction of the Chief Executive Officer, is responsible for the development of the annual budget and its consideration by the Aviation Authority Board and the Airline/Airport Affairs Committee.

The Office of Management and Budget under the direction of the Assistant Vice President of Finance, is responsible for:

- Developing and revising forms and other material for use in budget preparation,
- Preparing the annual budget calendar and scheduling budget negotiations with departments, if necessary,
- Advising departments in the preparation of budget estimates for the succeeding fiscal year,
- Reviewing all departmental budget request documents for compliance with budget procedures,
- Providing budget summaries and variance analysis for review by the Chief Executive Officer, the Chief Financial Officer, the Assistant Vice President of Finance, and other senior management staff.
- Preparing budget books for distribution at the Airline/Airport Affairs Committee meetings,

- Preparing Board agenda packages and City of Orlando City Council packages,
- Preparing the final budget books for distribution after Board approval and adoption.
- Entering adopted budget into the financial accounting system.

DEPARTMENT VICE PRESIDENTS

Department vice presidents must read and become familiar with the provisions of this procedure and conduct a continuing review of new and existing programs to determine if they should be improved, reduced, or discontinued. The department vice presidents initiate recommendations for new or expanded programs, when and if appropriate, and submit budget requests in accordance with provisions of this procedure.

GENERAL INSTRUCTIONS

BASIC OPERATING BUDGET REQUEST

The basic operating budget request is the minimum requirement necessary to meet the normal recurring costs of providing services or conducting Aviation Authority activities in the current established manner. It should include the personnel services, contractual services, materials, supplies, and fixed charges necessary to operate the department or activity throughout the coming year with no increase in the activities or services provided.

No additional personnel, capital expenditure, or capital improvement projects are to be requested in the basic budget.

Requests for upgrading existing positions or request for salary increases are not submitted in basic budget requests. These are accomplished in accordance with Section 202.02, Position Classification or Reclassification and Section 206.01, Wage and Pay Plan.

PERSONNEL REQUESTS

Additional personnel are requested using the Personnel Budget Request Form.

Documentation for additional personnel will include the job title, a brief description of the position, justification for the request, and the Human Resources Department's recommendation for the classification and salary of the proposed position. Additional expenses resulting from adding personnel will also be included on the Personnel

Budget Request Form. The Chief Executive Officer will approve all new positions added.

Once the Personnel Request Forms are submitted to Finance, they will be compiled into a spreadsheet reflecting the department requesting the position, the title of the position, the level of the position, the midpoint of the salary range, and the estimated impact on the related benefits. Certain positions may be budgeted at the third and fourth quartile depending upon hiring requirements dictated by the economy. The summary spreadsheet and the Personnel Request Forms will be immediately submitted to the Chief Executive Officer and to Human Resources for review and approval.

CAPITAL EXPENDITURE ITEMS

Capital Expenditure items are requested on the Project Initiation Request (PIR) Form. Capital Expenditure items include, but are not limited to:

- value in excess of \$1,000, (i.e. Office furniture, equipment, and motor vehicles, see Florida Administrative Code 69I-73.002)
- normal life expectancy one year or more,
- complete entity within itself (as distinguished from components).
- All capital requests are reviewed by the Vice Presidents, Deputy Executive Vice Presidents, and Chief Operating Officer prior to submitting to Finance during the annual budget process. All PIRs that are forwarded to Finance are reviewed by the Capital Review team, comprised of the Chief Financial Officer, the Chief Operating Officer, and the Deputy Executive Vice Presidents, who rank the projects to be funded on an Aviation Authority-wide basis. The recommended ranking and PIRs are then submitted to the Chief Executive Officer for review and approval.

PRIORITIES

The order of priority begins with requests for additional and/or changes to personnel, and then expanded, new, or replacement programs, as designated by the Department Vice President.

BUDGET REQUESTS

Annual departmental budget requests consist of the following seven budget forms which, when completed, are used by the Aviation Authority to make budgetary policies and decisions:

- Organization Chart,
- Basic Operating Budget Request,
- Budgeted Hours Form for existing personnel,
- Budget to Budget Variance Analysis,
- Budget to Estimate Variance Analysis,
- Project Initiation Request Form for each capital item.

BUDGET REFERENCE MANUAL

The Budget Reference Manual is used in the preparation of the annual and supplemental budgets. The Budget Reference Manual consists of:

- Directions on how to prepare each of the required forms.
- Samples of completed forms.
- Salary ranges for each bargaining and non-bargaining level.
- Such other documents as the Chief Financial Officer may deem pertinent.

APPROVAL AND UPDATE HISTORY

FORMAT AND RE-NUMBERING AUTHORITY

Aviation Authority Board: August 28, 1991 (4R)

LAST APPROVAL

Chief Executive Officer: August 22, 2013

SUPERSEDES

All Previous