



Municipal Budgeting

The municipal budget is a critical legal document that empowers local government officials to manage expenditures and revenues. It allocates resources across departments, reflecting the legislative body's priorities and policies, while controlling spending. This comprehensive annual plan is essential for meeting a city or county's public safety, health, and well-being needs during the fiscal year.

Budget & Finance Committee
May 22, 2024

The Budget Process

February - June

Departments review the current budget and assess future needs. Staff compile operating budgets, new requests, and community investment plans. The administration then reviews the budget requests.

1

April - May

Major departments present "mid-year" reviews of the current year's budget performance to the Budget & Finance Committee.

2

June - July

City departments present their budgets and new requests to the Budget & Finance Committee. The Mayor then presents the Executive Budget.

3

Budget Approval

1 August

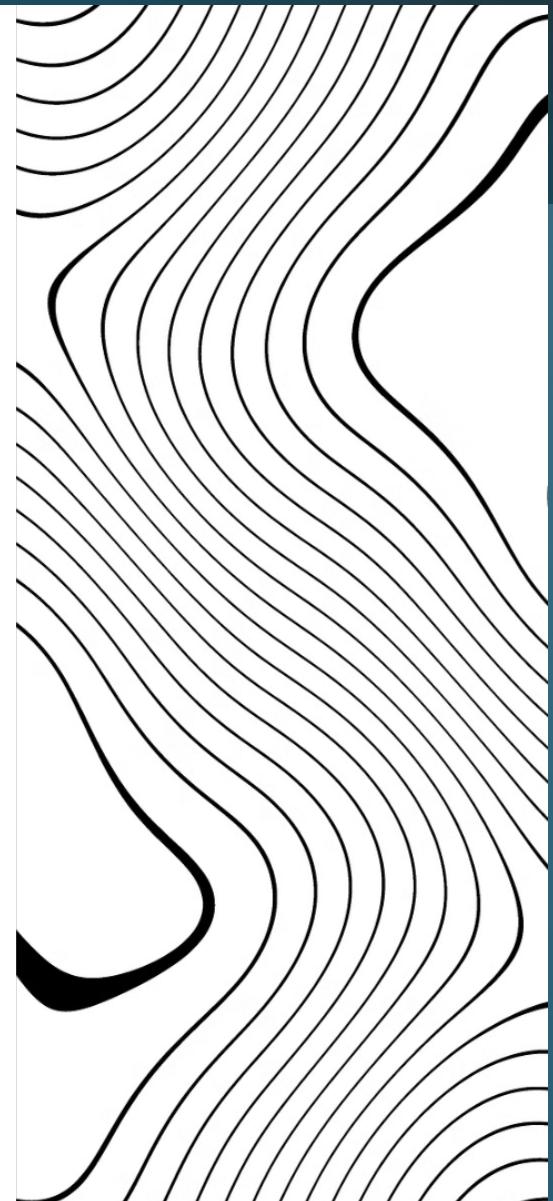
The Mayor presents the Executive Budget per the City charter. The City Council then deliberates on the budget.

2 First Monday in August

The Department of Revenue releases the Taxable Value figures, allowing municipalities to set their tax levies.

3 End of August

The City Council may amend the budget and approve the budget resolutions during a public hearing.



Legal Framework

State Law

Montana Code Annotated

[7-6-4000 Local Government Budget Act](#)

GAAP Compliance

Montana local governments must manage their finances according to Generally Accepted Accounting Principles (GAAP) set by the Governmental Accounting Standards Board (GASB).

Bond Covenants

Internal Revenue Service code

Fund Accounting

The City uses fund accounting.

A fund is a fiscal and accounting **entity** with a self-balancing set of accounts.

These accounts are **segregated** for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

Types of Funds

Governmental Funds

These funds finance most government functions, including the General Fund, Special Revenue Funds, Debt Service Funds, and Capital Project Funds.

Proprietary Funds

These include Enterprise Funds for business-like activities and Internal Service Funds for interdepartmental services.

Component Units

Legally separate organizations for which the elected officials of the primary government is financially accountable:

- Missoula Redevelopment Agency
- Missoula Parking Commission
- Business Improvement District
- Tourism Business Improvement District.

Fiduciary Funds

These funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations or other governments.

Municipal Revenue Sources



General Property Taxes

The amount of property tax revenue depends on the taxable value of property within the municipal jurisdiction and the annual mill levy set by the government.



Non-Tax Revenues

Sources include licenses, permits, intergovernmental transfers, charges for services, fines, investments, debt proceeds, and transfers from other funds.

Buckets

We use **Fund Accounting** to segregate money and activities to comply with our legal framework.

Not all money can pay for all things.



Municipal Budgeting

End