

Chapter 20

Budgeting

CAPRA Agency Accreditation Standards

* 0.4 Annual Budget

Standard: There shall be an annual operating and capital improvements budget(s), including both revenues and expenditures.

Commentary: Operating budgets include both capital and operating expenses and cover a one-year period and capital improvements may extend five or six years with annual review. The nature of an agency's budgetary system may be determined by the kind of system in use by its governmental authority.

Suggested Evidence of Compliance: Provide the current and approved annual operating and capital improvements budgets.

0.4.1 Budget Development Participation

Standard: The heads of major agency components within the agency should participate in the development of the agency's budget.

Commentary: An agency's budget should be developed in cooperation with all major organizational components within the agency. To increase the value of the input and to enhance coordination in the budget process, guidelines should be established to inform the heads of components of the essential tasks and procedures relating to the budget preparation process. The guidelines should include instructions for preparing budget request documents and for providing adequate justification for major continuing expenditures or changes in continuing expenditures of budget items. Information should be included regarding operating impact.

Suggested Evidence of Compliance: Provide evidence of such participation by major organizational components in the budget preparation process.

0.4.2 Budget Recommendations

Standard: Agency components should provide written recommendations, based on operational and activity analysis, for use in the development of the agency's budget.

Commentary: In particular, recommendations concerning personnel resources are logical and necessary outcomes of analytic and programmatic activities. In addition to an assessment of future personnel needs, the analysis should include an assessment of presently assigned positions to ensure that positions allocated to agency functions are appropriate.

Unit costs per program element should be computed and line items established for the operational procedures determined to insure adequate support funding for all personnel authorized. Adequate financial records and service statistics should be maintained to assist in this process.

Suggested Evidence of Compliance: Provide examples of agency component recommendations and evidence of their consideration in the budgeting process.

0.5 Budget Control

Standard: There should be procedures for budget control within the agency, including an allotment system, accounting system, frequent reporting of revenues and expenditures, and continuous management review.

Commentary: Agencies should utilize appropriate accounting methodologies and systems to ensure proper budget control.

Suggested Evidence of Compliance: Provide the procedures for budget control within the agency.

0.5.1 Supplemental/Emergency Appropriations

Standard: There should be written procedures for requesting supplemental or emergency appropriations and fund transfers.

Commentary: Provisions should be available within the agency's budget system to meet circumstances that cannot be anticipated by prior fiscal planning efforts (e.g., additional funds to compensate for overtime expended during a civil disturbance or funds needed to purchase needed material not authorized in the operating budget). Mechanisms of adjustment may include transferring funds from one account to another and/or requesting that additional funds be granted for agency needs.

Suggested Evidence of Compliance: Provide the supplemental/emergency appropriations procedures.