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BUDGET PROCESS

Budgetary Basis

All individual fund budgets are prepared on a cash basis. This basis recognizes revenues when received and expenditures when paid.

Accounting Basis

For the purpose of internal interim reporting and budgetary control on a monthly and quarterly basis, the Village generally reports on a cash basis, consistent with its budgetary basis.

For purposes of external annual financial reporting, governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except for sales taxes and telecommunication taxes which use a 90 day period. Expenditures generally are recorded when a fund liability is incurred. However, debt service expenditures are recorded only when payment is due.

Proprietary fund and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues and additions are recorded when earned and expenses and deductions are recorded when a liability is incurred. Operating revenues/expenses include all revenues/expenses directly related to providing enterprise fund services. Incidental revenues/expenses are reported as non-operating.

Budget Process

The annual budget process begins each year with a review of the current year financial report as of the end of the second quarter. From this point, revenue estimates for the current year are extended through the close of the year and preliminary revenue projections for the new year are prepared.

The Finance Department prepares and distributes budget templates to all departments which contain updated actual results from the previous fiscal year and revised current year budget amounts. Also distributed are some base assumptions to be used for various payroll and benefit line items. Department representatives are requested to provide estimates of current year final expenditure amounts as well as line-item proposals for the new budget year with supporting details included.

The budget team, which consists of the Finance Director, Village Manager, Village Attorney, Assistant Village Manager and Assistant Finance Director, meets with individual department managers and their support staff to review departmental budget proposals, department goals and organizational objectives. The budget team reviews total budget requests against anticipated revenue streams by fund to determine the extent to which available resources match requests. Follow-up departmental meetings are convened as necessary to modify and refine the budget.

The Village Board conducts budget workshop meetings in October. Copies of the draft budget are made available for public inspection at the Civic Center, library and on the Village's website. A public hearing is conducted on the proposed budget according to state statutes. Approval of the final budget is done at a Village Board meeting following a public hearing to allow additional input opportunity.

Budget Transfers and Amendments

The annual budget ordinance authorizes the Village Manager to make budget transfers within a department which do not exceed \$20,000. As a regular practice however, the Village does not record transfers of budgetary authority between accounts so as not to detract from original budget projections. The budgetary level of control is defined at the individual fund level.

The budget may be amended by the adoption of a budget amendment ordinance at any time during the fiscal year. At the onset of each new fiscal year, a budget amendment ordinance is adopted which is composed of total unliquidated encumbrances at the close of the previous fiscal year. Most encumbrances relate to previously Village Board approved contracts or projects which exceed \$20,000 and involve progress payments as the project is completed. Additional budget amendments may be considered as the fiscal year draws to a close to account for any significantly unbudgeted or unforeseen expenditures/expenses that took place during the year.

VILLAGE OF GLEN ELLYN 2020 BUDGET PREPARATION CALENDAR

Capital Budget

Timeline

- Draft Capital Budget due to Finance August 14, 2019
- Department/Manager budget meetings on Capital Budget 8/15-8/16/19
- Final Updates to Capital Budget Due to Finance August 30, 2019
- Assembly of summary schedules and final document 9/3/19-9/6/19
- Capital Budget distributed to Board September 9, 2019
- Village Board Workshop for Capital Budget September 16, 2019

July						
Su	Mo	Tu	We	Th	Fr	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

Operating Budget

- Salary Schedules, Insurance Schedules July 15, 2019
- Mid-Year Financial Report August 19, 2019
- Preliminary revenue projections to Village Manager (General Fund) August 1, 2019
- Departmental budget requests due to Finance (with support and forecasts) August 16, 2019
- Departmental / Manager budget review meetings 8/19-8/23
- Departmental narratives due August 30, 2019
- Budget Done Internally September 20, 2019
- Five Year Forecast - Finance Commission September 13, 2019
- Budget Kick off Meeting- Five Year Forecast September 16, 2019
- Distribution of draft budget October 2, 2019
- Village Board Workshop October 7, 2019
- Village Board Workshop October 10, 2019
- Village Board Workshop October 14, 2019
- Village Board Workshop (if needed) October 17, 2019
- Village Board Meeting - Public hearing on proposed Budget followed by first reading of Budget ordinance (hearing notice must be published at least one week before the hearing) October 28, 2019
- Second reading/ adoption of the budget ordinance November 11, 2019
- Next fiscal year begins January 1, 2020

August						
Su	Mo	Tu	We	Th	Fr	Sa
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

September						
Su	Mo	Tu	We	Th	Fr	Sa
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

October						
Su	Mo	Tu	We	Th	Fr	Sa
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

November						
Su	Mo	Tu	We	Th	Fr	Sa
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	28	29	30		

INTERFUND TRANSFER RECAP

TRANSFERS FOR FY20 BUDGET

TO FUND

DEPT/DIV	FROM FUND										TO FUND									
	ADMIN SERVICE CHGS	PW SERVICE CHGS	INSURANCE GENERAL	INSURANCE PLAN	HEALTH PLAN	EQUIP SERVICE O & M	EQUIP SERVICE REPL	FACIL MAINT	PW STREET SWEEPING	POLICE OPERATION	CAPITAL PROJECTS	DEBT SERVICE	POLICE PENSION	ENG GENERAL FUND	GEN FOOD & BEV	FACIL MAINT RESERVE	CORP RESERVE	PARKING FUND	TOTAL	
Revenue																			3,913,031	
Villages Board & Clerk					1,725														1,725	
Administration			3,300		43,700														47,000	
Law			1,000		7,000														8,000	
Facilities Maint			7,600		28,300	9,500	3,200												273,600	
Information Technology			2,400		36,500												225,000		38,900	
Finance - Admin.			2,100		51,700														53,800	
Finance - Cashier's			1,500		17,200														18,700	
P & D - Planning			2,400		40,200														42,600	
P&D - Building			9,200		109,500	9,000	31,800												159,500	
Economic Development			1,300		21,400														22,700	
Police - Admin			10,800		90,500	10,400	10,800							205,700					328,200	
Police - Operations			82,600		429,400	204,400	110,100							1,438,300					2,264,800	
Police - Investigations			18,300		89,900	20,200	15,200							315,000					458,600	
PW - Admin			8,700		64,525	24,600	16,800												114,625	
PW Ops - Forestry			32,100		45,200	76,200	97,500												251,000	
PW Ops - Streets			57,500		45,800	208,000	187,200												498,500	
Fire Department			174,600			81,800	6,600												263,000	
GENERAL FUND			415,400		1,122,550	644,100	479,200							1,959,000				225,000	8,758,281	
Forfeiture																				
Fire Service	40,700																			
Parking	13,700	109,300	800					62,700											103,400	
Water	145,000		52,400		96,600	58,900	59,400	17,900	25,000										148,800	
Sanitary Sewer	145,000		35,000		87,800	75,800	170,500	14,900											505,200	
Recreation	150,000		83,500		218,575														604,000	
Equip Services		15,100	10,900		53,660	3,300	1,100	10,100											452,075	
Solid Waste	82,000																		94,160	
MFT																			82,000	
Capital Projects																			400,000	
																			218,600	
																			50,000	
																			16,000,000	
TOTAL	576,400	124,400	182,600		456,635	138,000	231,000	105,600	25,000					1,977,963	50,000	150,000		16,000,000	20,636,198	
GR TOTAL	576,400	124,400	598,000	1,579,185	782,100	710,200	105,600	25,000	25,000					1,977,963	50,000	375,000		16,000,000	29,894,479	
Glenbard Wastewater	134,228				254,000	32,900													421,128	
Library	1,200				261,700														760,462	
	711,828				2,094,885	815,000													30,576,069	

FROM FUND

GLOSSARY OF TERMS

Abatement: The process of cancelling or reducing previously levied property taxes.

Accrual Basis of Accounting: A basis of accounting where revenues are recognized in the accounting period in which they are earned and become measurable; expenses are recognized in the period incurred, if measurable.

Ad Valorem Taxes: Commonly referred to as property taxes, these taxes are levied on real property according to the property's valuation and the applicable tax rate.

Appropriation: Dedication of resources or funds to a special purpose.

Assessed Valuation: The valuation set upon real estate by the Assessor as a basis for levying property taxes.

Asset: Resources owned or held by a government that have monetary value.

Authorized Positions: Employee positions, which are authorized in the adopted budget, to be filled during the year.

Balanced Budget: A budget where total expenditures/expenses are less than or equal to total current year revenues. In some cases, the use of accumulated reserves or debt proceeds may be used to achieve a balanced budget

Bond: A form of debt used by governmental entities to borrow funds for a defined period at a specified interest rate.

Bond Refinancing/Refunding: The issuance of bonds to pay off existing obligations in order to obtain better interest rates and/or repayment provisions.

Budget: A plan of financial activity for a specified period of time (fiscal year) indicating all planned revenues and expenditures for the budget period.

Budgetary Control: The control or management of a government in accordance with the approved budget for the purpose of keeping expenditures within the limitations of available appropriations and resources.

Capital Improvement Program (CIP): A CIP is a multi-year planning instrument used by governments to identify needed capital projects and to coordinate the financing and timing of such improvements in a way that maximizes the return to the public.

Capital Expenditure: Refers to purchase or construction of a variety of public infrastructure assets, land, buildings, machinery and those equipment items which have an estimated useful life of more than one year and a cost in excess of \$20,000.

Capital Project: A major construction, acquisition, or renovation activity which adds value to a government's physical assets or significantly increases an asset's useful life.

Capital Projects Fund: A fund used to account for the acquisition or construction of major governmental capital facilities and equipment which are not financed by other funds.

Cash Basis of Accounting: A basis of accounting where revenues are recognized in the accounting period in which they are received; expenses are recognized in the period paid.

Commodities: All expenditures for materials, parts and supplies, except those incidentally used by outside firms performing contractual services for the Village.

Contingency: A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted.

Contractual Services: Expenditures for services which are obtained by an express or implied contract.

Debt Service Fund: The Debt Service fund is used to account for the accumulation of resources for and the payment of general long-term debt, principal and interest, which is not funded in another fund.

Deficit: The excess of an entity's liabilities over its assets or the excess of expenditures or expenses over revenues during a single accounting period.

Department: A basic organizational unit of government which is functionally unique in its delivery of services.

Depreciation: A method of spreading the cost of a tangible asset over its useful life.

Distinguished Budget Presentation Awards Program: A voluntary awards program administered by the Government Finance Officers Association to encourage governments to prepare effective budget documents.

Enterprise Fund: A fund which is used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the government is that the costs (including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Expenditure: The payment of cash or the transfer of property or services for the purpose of acquiring an asset or service.

Fiduciary Fund: A fund used to report assets held in a trustee or agency capacity for others and cannot be used to support the Village's own programs.

Fiscal Policy: A government's policies with respect to revenues, spending, and debt management as these relate to government services, programs and capital investment. Fiscal policy provides an agreed-upon set of principles for the planning and programming of government budgets and their funding.

Fiscal Year: A twelve (12) month period between settlements of financial accounts. The Village's fiscal year begins on January 1st and ends December 31st.

Fixed Assets: Assets that are intended to be held or used, such as land, buildings, machinery, furniture and other equipment.

Fringe Benefits: Expenditures directly attributable to Village's employee benefits, including the Village's contributions to the Illinois Municipal Retirement Fund and Social Security, expenses relating to the life and health insurance programs and workers' compensation program costs.

Full-Time Equivalent Position (FTE): A part-time position converted to the decimal equivalent of a full-time position based on 2,080 hours per year. For example, a part-time clerk working 20 hours per week would be the equivalent to .5 of a full-time position.

Fund: An independent fiscal and accounting entity with a self-balancing set of accounts segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

Fund Accounting: A method of municipal accounting where resources are allocated to and accounted for in separate funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Fund Balance: The difference between fund assets and fund liabilities in a governmental fund.

GAAP: Generally Accepted Accounting Principles. Uniform minimum standards for financial accounting and recording, encompassing the conventions, rules and procedures that define accepted accounting principles.

GASB: Governmental Accounting Standards Board. The mission of the Governmental Accounting Standards Board is to establish and improve standards of state and local governmental accounting and financial reporting that will result in useful information for users of financial reports and guide and educate the public, including issuers, auditors, and users of those financial reports.

General Fund: The general fund is used to account for all revenues and expenditures of the Village which are not accounted for in any other fund. It is an operating fund from which most of the current operations of the Village are financed.

General Obligation Bond (G.O. Bond): A long-term security where the general taxing power of the Village is pledged to pay both principal and interest.

GFOA (Government Finance Officers' Association): The premier professional association for governmental finance officers in the United States and Canada. The GFOA recognizes governments for excellence in financial reporting and in budgeting.

Governmental Fund: A fund used to account for the governmental activities, including the acquisition or construction of governmental capital assets (streets, sidewalks, buildings), and the servicing of general long term debt. Typically, governmental funds derive some or all of their revenue from taxes.

Goal: A statement of broad direction, purpose or intent based on the needs of the community.

Illinois Municipal Retirement Fund (IMRF): This retirement fund, established under statutes adopted by the Illinois General Assembly, provides employees of local governments and school districts in Illinois with a system for the payment of retirement annuities, disability, and death benefits. Contributions based upon a percent of wages are required of both the employer and employee.

Infrastructure: The basic installations and facilities on which the continuance and growth of a community depend. Examples include sewer and water systems, roadways, communication systems and public buildings.

Interfund Transfer (IFT): This represents a transfer between two funds, typically as a charge or reimbursement for services provided from one fund to another.

Internal Service Fund: A fund that is used to account for activity that provides goods or services to other funds, departments or agencies of the primary government, its component units, or to other governments, on a cost-reimbursement basis.

Levy: The imposition and collection of a tax.

Line-Item Budget: A form of budget which allocates money for expenditures to specific items or objects of cost.

Long-Term Debt: Debt with a maturity of more than one year after the date of issuance.

Major Fund: A business or governmental fund that is reported as a separate column in the basic fund financial statements and which receives a separate opinion in the independent auditor's report. Typically, major funds are designated as such due to their size relative to other funds. However, qualitative factors can also be used to designate funds as major.

Modified Accrual Basis of Accounting: A basis of accounting where revenues are recognized in the accounting period in which they become available and measurable. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for interest on general long-term debt, which is recognized when due.

Objective: Something to be accomplished in specific, well-defined and measurable terms and that is achievable within a specific time frame.

Operating Revenues: Funds that the government receives as income to pay for ongoing operations. It includes such items as taxes, fees for specific services, interest earnings, and grant revenues.

Operating Expenses: The cost for personnel, materials, and equipment required for a department to function.

Operating Transfers In/Out: A planned transfer of monies from one fund to another to assist in financing the operations of the recipient fund.

Other Post Employment Benefits (OPEB): Benefits provided to employees upon termination of service in addition to pension benefits, such as health and dental insurance coverage.

Personnel Services: Expenditures directly attributable to Village employee salaries, including wages, overtime, and other direct compensation.

Proprietary Fund: A fund which reports on operating income, changes in net position, financial position, and cash flows. The Village's proprietary funds can be classified as either enterprise funds or internal service funds.

Revenue: Sources of income financing the operations of government.

Taxes: Compulsory charges levied by a government for the purpose of financing services performed for the common benefit of the people. This term does not include specific charges made against particular persons or property for current or permanent benefit, such as special assessments.

User Charges: The payment of a fee for direct receipt of a public service by the party who benefits from the service.

Acronym Glossary

AED	Automated External Defibrillator
APWA	American Public Works Association
ASCE	American Society of Civil Engineers
ASPA	American Society for Public Administration
CAD	Computer Aided Design
CBD	Central Business District
CDL	Commercial Driving License
CFA	Computerized Fleet Analysis
COD	College of DuPage
COLA	Cost of Living Adjustment
CPI	Consumer Price Index
CSO	Community Service Officer
DARE	Drug Abuse Resistance Education
DUCOMM	DuPage Public Safety Communications
DUI	Driving Under the Influence
DWC	DuPage Water Commission
EAV	Equalized Assessed Value
EMS	Emergency Medical Service
EPA	Environmental Protection Agency
ETSB	Emergency Telephone Systems Board
FBINA	Federal Bureau of Investigation National Academy
FMLA	Family and Medical Leave Act
FTE	Full Time Equivalent
FY	Fiscal Year
FYE	Fiscal Year End
GAAP	Generally Accepted Accounting Principles
GAAS	Generally Accepted Auditing Standards
GASB	Government Accounting Standards Board
GFOA	Government Finance Officers Association
GIS	Geographic Information System
GO	General Obligation
GPS	Geographic Positioning System
HMO	Health Maintenance Organization
HVAC	Heating, Ventilating and Air Conditioning
ICC	International Code Council
ICMA	International City/County Management Association
IDOT	Illinois Department of Transportation
IEPA	Illinois Environmental Protection Agency

IGA	Intergovernmental Agreement
IGFOA	Illinois Government Finance Officers Association
ILCMA	Illinois City/Council Management Association
IML	Illinois Municipal League
IMRF	Illinois Municipal Retirement Fund
IPBC	Intergovernmental Personnel Benefit Cooperative
IPELRA	Illinois Public Employer Labor Relations Association
ISO	Insurance Services Organization
IT	Information Technology
J.U.L.I.E.	Joint Utility Locating Information for Excavators
LEED	Leadership in Energy & Environmental Design
LGDF	Local Government Distributive Fund
MFT	Motor Fuel Tax
NFPA	National Fire Protection Association
NPDES	National Pollution Discharge Elimination System
NPELRA	National Public Employer Labor Relations Association
OPEB	Other Postemployment Benefits
PACE	Suburban Bus Division of the Regional Transportation Authority
PCI	Pavement Condition Index
PPO	Preferred Provider Organization
RFP	Request for Proposal
SSA	Special Service Area
SSO	Sanitary Sewer Overflow
SWAT	Special Weapons and Tactics
TIF	Tax Increment Financing