

F. BUDGET

The Greater Lafourche Port Commission, a political subdivision of the State of Louisiana, in many respects, operates as a private business. All financial transactions are organized and recorded in accordance with GAAP under the classification of Enterprise Fund. Revenues generated and expenses incurred are recorded on the accrual basis of accounting.

In order to establish a financial plan from which to operate, an annual budget shall be prepared. This budget will reflect staff's estimate of revenues, expenses, and expenditures, on a fiscal year basis.

1. Organization of the Budget

- a. The basic form of this document will consist of an estimate of revenues and an estimate of operating expenses, including depreciation.
- b. Additional components may include, but are not limited to, estimates of expenditures for capital outlay and expenditures for debt service.
- c. Budget detail shall consist of individual line items, grouped by category, which are representative of the kinds of revenues and expenses common to a public port. This information may be organized on a department level for the purpose of monitoring and control.

2. The Budgetary Process

- a. Estimating Revenues
 - i. The initial step in the budgetary process involves estimating the amount of revenues that can be expected to be available in the coming year.
 - ii. The Director of Finance will distribute to the appropriate personnel requests for input in each of the applicable budget operating revenue categories. The Director of Finance will complete the information for all non-operating revenue. The completed forms will be returned to the Director of Finance for further processing.
 - iii. Once the initial revenue projections have been completed, the Director of Finance will meet to review the information. Corrections and adjustments may be recommended. If revisions are suggested, they will be incorporated into the projection and a second review will be held. If no further revisions are required, the Director of Finance will prepare all documents needed for a complete revenue projection.

b. Estimating Expenses

- i. The Director of Finance will distribute to each of the Department Heads requests for input in each of the applicable budget expense categories. The Department Heads will be responsible for compiling the information on a line item basis, and returning it to the Director of Finance.
- ii. When all of the information is received and can be summarized, a draft of the expense budget will be prepared. The Department Heads will have an initial expense review meeting and decide if adjustments should be made. If adjustments are necessary, the Director of Finance will make the changes and a second review meeting will be held. If no further adjustments are necessary, the Director of Finance will finalize the expense projection and all related documentation.

c. Capital Expenditures

- i. Expenditures related to Major Maintenance and the acquisition of Property, Plant, and Equipment are all part of this category.
- ii. The Director of Finance will obtain all Capital Expenditure request from Departments Heads.
- iii. When the information has been summarized, a review meeting will be held to discuss the items and if changes are required, the Director of Finance will make the adjustments. After this, a second review meeting will be held. If no further changes are necessary, the Capital Expenditure budget request will be finalized and put in presentation format by the Director of Finance.

d. Debt Service

The Director of Finance will complete the information related to the section.

e. Review by Executive Director

When all information has been compiled, a draft of the budget document will be prepared. The Director of Finance will have a review meeting with the Executive Director to determine if adjustments should be made. If adjustments are necessary, the Director of Finance will make the changes to the budget document. Department Heads will be advised of the revisions and the justification for the revisions. The Director of Finance will prepare the final budget document.

3. Adoption of the Budget

- a. When staff has completed the development of the budget document, the Director of Finance will submit copies of the proposed budget to the Board of Commissioners for their review. The final budget document will be presented to the Board of Commissioners for adoption, no later than the month preceding the next fiscal year.
- b. Should the Board not approve the budget prior to the beginning of the fiscal year, one half of the amount of the previous years budget shall become effective until such time as a new budget can be agreed upon.

4. Budget Amendments

- a. As a means of monitoring and controlling these variances, the budget will be reviewed on a quarterly basis.
- b. When it is determined that overall revenues are projected to fall below the total budgeted amount by ten percent or more, a revised downward estimate will be presented to the board for approval. Conversely, should revenues be projected to exceed the budget by ten percent or more, an amendment will be offered to increase budget revenues by the corresponding amount.
- c. If at any time, current expenditures plus projected expenditures are expected to exceed the total of the approved budget by ten percent or more, a budget amendment will be prepared to increase the budget by the projected amount or to decrease expenditures by the amount necessary to ensure that total expenditures will not exceed those approved in the budget.