

2025 BUDGET
INSTRUCTIONS TO COUNTY CLERKS AS BUDGET OFFICER
(THIRD CLASS COUNTIES)

1. (a) **BUDGET OFFICER TO PREPARE DOCUMENT** - Section 50.540, RSMo, requires the County Clerk, acting in the capacity of budget officer in third class counties, to prepare and transmit to the County Commission not later than February first each year a complete financial plan and budget document for the ensuing year in the form prescribed by Section 50.550, RSMo.
- (b) **OFFICERS TO PREPARE ESTIMATES OF EXPENDITURES AND REVENUES** - On or before the fifteenth day of January in counties of class three, each department, office, institution, commission or court of the county receiving its revenues in whole or in part from the county shall prepare and submit to the budget officer estimates of its receipts and requirements for the budget year (2025) compared with corresponding figures for the last completed year (2023) and estimated figures for the current year (2024). Section 50.540, RSMo.
- (c) **PUBLIC HEARINGS TO BE HELD** - The budget officer, in counties of class three, shall hold a public hearing, in the presence of the County Commission before preparation of the budget document. Section 50.540.5(3), RSMo.

The County Commission shall hold at least one public hearing on the proposed budget before final action is taken. The hearing shall not be held sooner than ten days after the document has been made available for public inspection and at least five days notice of the hearing shall be given. Section 50.600, RSMo.

- (d) **BUDGET DOCUMENT TO INCLUDE BUDGET OFFICER'S MESSAGE** - The budget document shall include a budget message outlining the fiscal policy of the government for the budget year and describing the important features of the budget plan, giving a general budget summary setting forth the aggregate figures of the budget in a manner to show the balanced relations between total proposed expenditures and total expected income and other means of financing the budget compared with the corresponding figures for the last completed year and the current year, and including explanatory schedules classifying expenditures by organization units, objects and funds, and income by organization units, sources and funds. Section 50.590, RSMo. Any surplus and the plans for such funds should also be detailed in the budget message.
- (e) **APPROPRIATION TO BE MADE FOR EMERGENCY FUND** - The budget officer shall provide in his recommendations, and the County Commission shall provide in its appropriation order, that an amount equal to not less than three percent of the total estimated general fund revenues shall be appropriated each year as an emergency fund. Section 50.540.4, RSMo.
- (f) **TRANSFERS FROM EMERGENCY FUND** - Section 50.540.4, RSMo, provides that the County Commission may make transfers from the emergency fund to any other appropriation on the recommendation of the budget officer; but the transfers shall be made only for unforeseen emergencies and only on unanimous vote of the County Commission.
- (g) **CASH AND UNPAID LEGAL OBLIGATIONS** - Section 50.610, RSMo, provides that any available cash surplus at the end of any year shall be carried forward and

merged with the revenues of the succeeding year. Section 50.610, RSMo, further provides that the payment of any legal unpaid obligations of any prior year, however, shall be a first charge in the budget against the revenues of the budget year.

- (h) **TRANSFER OF UNENCUMBERED APPROPRIATION BALANCE** - Section 50.630, RSMo, provides that the County Commission may authorize the transfer within the same fund of any unencumbered appropriation balance or any portion thereof from one spending agency under its jurisdiction to another; but this can only be done on the recommendation of the budget officer and only during the last two months of the year, except for transfers from the emergency fund which may be made at any time in the manner provided in the law.
- (i) **WHEN AND WHERE BUDGET FORMS MUST BE FILED** - After the County Commission has revised and approved final budget estimates, the County Clerk shall enter such revised estimates on the record, and within five days file a certified copy with the County Treasurer and the State Auditor. Section 50.740.2, RSMo.
- (j) **BUDGETS OF OTHER AGENCIES TO BE INCLUDED** - All boards and commissions responsible for the expenditure of funds derived from countywide levies, including, but not limited to, library, hospital, health units, and similar political subdivisions, shall file with the budget officer a copy of their final budget for the following year prior to the time the budget officer must submit the comprehensive budget to the County Commission for inclusion by the budget officer with the consolidated county budget for the budget year. Section 50.540.1, RSMo.
- (k) **AMENDING BUDGETS** - Section 50.622, RSMo, provides that the annual budget may be amended during any year in which the county receives additional funds, and such amount or source could not be estimated when the budget was adopted. Sections 50.622.2 to 50.622.5, RSMo, provides that the annual budget may be amended during any year in which the county experiences a verifiable decline in funds (budget decreases).

2. **2025_department_form.xls** Departmental Revenues and Expenditures - These forms are for distribution to the various offices for preparation of their various requests (**for county boards and elected county officials with custody of special revenue funds - see instruction #10**). In most situations, the County Clerk should be able to fill in the amounts for actual 2023 and 2024 revenues and expenditures. Should the budget officer's 2025 recommendation differ from the officeholder's request, the differences should be noted but the original request should not be altered.

These forms provide for five major classifications of expenditures. The level of detail within each classification should be decided upon by the budget officer and County Commission. The totals of the individual categories should be placed in their appropriate place within the budget document. **While these forms are not to be submitted to the State Auditor's Office with the county's budget**, they should be retained as support for the budget document in the County Clerk's office.

If these forms do not fit the categories on the budget document itself, (i.e., elections or court administration), modifications of these forms should be made by the budget officer before distribution, or a new form developed which will serve the purpose.

3. OTHER NET RESOURCES AVAILABLE - Any property tax monies for the current year not expected to be received by the County Treasurer prior to December 31, should be included as other net resources available. A worksheet should be prepared to document how such amount is obtained in relation to the projected current year property tax revenue shown as "Estimated Revenues." An example format of a worksheet to determine estimated revenues and other resources is shown below. Additionally, any interfund loans, or other short term debt may be included in the determination of other net resources available. A worksheet to support the amount shown on this line should be prepared and maintained with the budget document.

SAMPLE WORKSHEET FOR DETERMINING PROPERTY TAX REVENUE AND RESOURCES AVAILABLE

	AMOUNTS		
	2023	2024	2025
Assessed Valuation ÷ 100	A	A	A
Tax Levy	B	B	B
Gross Property Tax Revenue (A*B)	C	C	C
* Less Estimated withholdings	D	D	D
Net Taxes to be Collected (C-D)	E	E	E
** Taxes Received during 2023	10% of E	None	None
** Taxes Received during 2024	80% of E	10% of E	None
** # Taxes Received during 2025	5% of E	80% of E	10% of E
** ## Taxes to be received in subsequent years	5% of E	10% of E	90% of E

- * Estimated withholdings should be based on established percentages for commissions and assessment.
- ** Historical information from prior years should provide collection estimates for current and subsequent years. (Estimates here assume collections into county treasury of 10% first year, 80% second year, and 5% the two subsequent years). It may be more accurate to adjust prior years for actual results when estimating 2025 and beyond.
- # The total for all years from this line should be shown as estimated property tax revenues for 2025.
- ## The total for all years from this line should be included with "Other Net Resources Available" on the applicable summary page.

Note: Penalties associated with delinquent taxes will also need to be estimated and added to above estimates.

4. ESTIMATED ENDING BALANCE - This amount cannot be a negative (deficit) balance.
5. CASH RECONCILIATIONS - A summary is included for all funds which proves the accuracy of the "actual" numbers shown within the budget document. Depending on the county, minor adjustments may be needed to properly reconcile the beginning and ending cash balances.
6. TRANSFERS IN/OUT - Amounts shown under these categories for the respective funds should be those transfers for which repayment is not expected, as well as interfund loan activity. **Transfer in and transfer out amounts should agree for the respective funds and in total among all funds.** Unpaid Interfund loans at year end should be properly reflected when determining available resources.
7. DEBT SERVICE/LONG-TERM DEBT - Any long-term debt (including general obligation bonds, revenue bonds, certificates of participation, or lease purchase agreements) should be reported. Balances at December 31, 2023, as well as 2024 transactions along with the Balances at December 31, 2024, should be noted. Additionally the debt service account within the applicable fund should be used to show the activity

surrounding any long-term lease payments. It may be necessary to show debt service payments under a specific office depending upon the circumstances.

8. SALES TAX REVENUE - If your county levies a county sales tax pursuant to Section 67.505, RSMo, be sure to reduce your estimated property tax levy as necessary to comply with that statute. The following is a format which may be beneficial to you in computing your 2025 proposed property tax levy:

- a) 2025 Total Assessed Valuation (estimated) ÷ 100
- b) 2025 Tax Rate Ceiling
- c) Gross Property Tax Revenue (a * b)
- d) 2025 Sales Tax (estimated)
- e) Voter Approved Percentage Reduction
- f) Sales Tax Reduction (d * e)
- g) Adjustment for Prior Years #
- h) Total Sales Tax Reduction (f + g)
- i) Amount of Property Tax to be Raised (c - h)
- j) 2025 Tax Rate (estimated) (i ÷ a)

Section 67.505.3, RSMo, provides an adjustment for sales tax collections of the preceding year that are more or less than the estimate for the preceding year. The adjustment should be computed by multiplying the amount of collections in excess or less than estimated by the percentage reduction (e) above (e.g., if actual sales tax collections exceed the estimated amount by \$10,000, line g is \$5,000 (assuming a 50 percent reduction)).

Keep in mind that this rate may be changed when setting the actual 2025 levy in September due to ACTUAL NUMBERS being available at that time. Also, at year end when all numbers are actually known, a calculation is needed to determine what adjustment, if any, needs to be made in 2025.

9. ADMINISTRATIVE EXPENSE TRANSFERS - Pursuant to Section 50.515, RSMo, some counties transfer funds from the Special Road and Bridge Fund to reimburse administrative costs paid by the General Revenue Fund. These amounts should be shown as a transfer in to the General Revenue Fund and as a transfer out of the Special Road and Bridge Fund. Transfers allowed from other special revenue funds, such as County Park Funds and Capital Improvement Sales Tax Funds, should be handled similarly.
10. ADDITIONAL BLANK BUDGET FORMS - Budget forms are provided for the General Revenue Fund, Special Road and Bridge Fund, and Assessment Fund. Blank budget forms are also provided for other funds.

Any fund for which your County Commission has control, should be budgeted in accordance with Chapter 50, RSMo. **Any new fund established during the current year should be budgeted for the remainder of the year.**

Blank forms should be provided to county boards and included with the county's overall budget document. Use the 2025_generic.xls file for this purpose. **As indicated in Section 50.540.1, RSMo, all boards and commissions responsible for the expenditure of funds from countywide levies should file a budget with the county to be attached to the county budget for the year.** Health centers, hospitals, SB40 boards, Johnson grass boards, and mental health centers, among others, are required to do so.

Finally, the blank forms should be used for other funds where revenues and expenditures can be budgeted by applicable officials. (e.g., Interest Income Funds for Courts; Law Library Fund; Records' User Fee Fund; and Tax Maintenance Fund, etc.). These completed forms should be entered into the main budget file OR should be included as an "Other Fund" within the budget (See File Instructions #11).

11. EXPENDITURES OF FEDERAL AWARDS - The Schedule of Expenditures of Federal Awards (SEFA) should be completed for all federal assistance expended. The amounts reported should include nonmonetary as well as monetary assistance. Nonmonetary assistance may include food distribution, surplus property, immunizations, equipment, etc. In addition, a copy of this schedule should be provided to other boards and officials that may have expended federal assistance. Keep in mind that Attorney General's Opinion No. 87-2007 concluded that a county health center board established under Section 205.042, RSMo, is defined as a political subdivision for audit purposes under Section 29.230, RSMo. As a result, my office will no longer include such health center boards within the scope of our county audits and these boards' federal expenditures should no longer be included in your county's SEFA. However, if your county operates a health department that does not have its own tax levy and board, the department's federal expenditures should continue to be included in your county's SEFA.

Keep in mind that Assistance Listing Numbers (ALN) and programs change periodically and you need to ensure agreement between the schedule information and grant agreement or grantor agency information. Also, this schedule is not an all inclusive list of federal award programs - counties may participate in some programs that are not listed and will likely not participate in all programs listed. Information reported should be compared to grant agreements and/or federal agency information to ensure accurate reporting.

Grants not identified on the SEFA and therefore not reported in accordance with federal audit requirements may subject the county to withholdings of future grant monies, or other sanctions by granting agencies.

12. 911 AND EMERGENCY SERVICES BOARDS - County emergency services boards established under Section 190.339.2, RSMo, are a body corporate and a political subdivision of the state. Thus, these boards shall not be included in the scope of the county audit after August 28, 2010, and will be required to comply with budget requirements outlined in Chapter 67, RSMo. However, Emergency Telephone Service 911 boards, established under Section 190.309, RSMo, will continue to be included in the scope of the county audits and should be included as a part of the county's overall budget document.