SECTION 4 – BUDGETING

Overview

Budgeting is one of the most important activities undertaken by governments. The budget is a plan of financial operation embodying an estimate of proposed expenditures for a given period and the proposed means of financing them. The budget serves as the primary tool in allocating financial resources to programs and services. This process should involve all stakeholders – elected officials, governmental administrators, employees, citizen groups, and business leaders, and reflect their overall needs and priorities. A budget process that is well integrated with the other activities of the government and involves those stakeholders will lead to a more efficient and accepted government. Specifically, the budget can serve as a policy making tool, a management tool, a financial tool, and a communication tool. The end result should be a balanced budget that has been well planned and communicated among all stakeholders.

- A brief description of the budget cycle is as follows
    - Input
        - Elected and appointed officials gather information from citizens, taxpayers, and other sources about financial and non-financial priorities.
        - Officials meet with staff and convey the goals, objectives, priorities, and concerns that will guide the development of the budget.
    - Preparation
        - Revenues estimates and forecasts are created to determine what financial resources will be available to fund operations.
        - Expenditure requests and forecasts are prepared by the departments.
        - The chief administrator submits a proposed budget that reflects the community needs and desires to the local government governing body for review.
    - Adoption
        - The governing body reviews the proposed budget.
        - Changes are made according to the governing body's recommendations and public comments.
        - The proposed budget is approved by the governing body.
        - The budget is adopted.
    - Implementation
        - Revenues are collected and expenditures are incurred in accordance with the budget.
        - The budget may be modified or amended by approval from the governing body in accordance with procedures established by state law.
    - Evaluation
        - Internal reports may be prepared as needed for financial data and performance measurement.
        - Other evaluations are done through internal audits, performance audits, and external audits.

Requirements

Section 166.241, Florida Statutes, (Municipalities) and Sections 129.03–129.06, Florida Statutes, (Counties) provide specific requirements for local governments to follow when adopting annual budgets. Some of those requirements are as follows:

- The local government's budget must be adopted by resolution or ordinance, unless otherwise specified in the local government's charter.
- The amount available from taxation and other sources, including balance brought forward from prior fiscal years, must equal the total appropriations for expenditures and reserves.
- At a minimum, the adopted budget must show for each fund, as required by law and sound financial practices, budgeted revenues and expenditures by organizational unit which are at least at the level of detail required for the annual financial report under Section 218.32(1), Florida Statutes
- The tentative budget must be posted to the local government's official website at least two days before the first budget hearing at which the tentative budget is approved. The final adopted budget must be posted to the local government's official website within 30 days after adoption. For municipalities, if the municipality does not operate an official website, the municipality must transmit the tentative and final budgets to the manager or administrator of the county or counties in which the municipality is located.
- If the tentative budget of a municipality contains a funding reduction to the operating budget of the municipal law enforcement agency of more than 5 percent compared to the current fiscal year's approved operating budget, the state attorney for the judicial circuit in which the municipality is located or a member of the governing body may file a petition with the Division of Administrative Hearings pursuant to Section 120.569, Florida Statutes, requesting a hearing to challenge the reduction in the municipal law enforcement agency's proposed operating budget.
- The adopted budget may be amended at any time during the fiscal year or within sixty (60) days following the end of the fiscal year. If the amendment increases the total amount of expenditures by fund or department, the budget amendment must be adopted in the same manner as the original budget, unless otherwise specified in the local government's charter. Counties are required to follow specific advertising requirements (Section 129.06, Florida Statutes) with respect to the adoption of budget amendments.

Section 189.016, Florida Statutes, provides specific requirements for special districts. Some of those requirements are as follows:

- The special district's budget must be adopted by resolution. This requirement does not apply to water management districts as defined in Section 373.019, Florida Statutes Water management districts must comply with the budget requirements in Section 373.536, Florida Statutes

The total amount available from taxation and other sources, including balances brought forward from prior fiscal years, must equal the total appropriations for expenditures and reserves. This requirement does not apply to water management districts as defined in Section 373.019, Florida Statutes Water management districts must comply with the budget requirements in Section 373.536, Florida Statutes

- At a minimum, the adopted budget must show for each fund, as required by law and sound financial practices, budgeted revenues and expenditures by organizational unit, which are at least at the level of detail required for the AFR under Section 218.32(1), Florida Statutes The adopted budget must regulate expenditures of the special district, and an officer of a special district may not expend or contract for expenditures in any fiscal year except pursuant to the adopted budget. This requirement does not apply to water management districts as defined in Section 373.019.
- The tentative budget must be posted on the special district's official website at least 2 days before the first budget hearing and must remain on the website for at least 45 days. The final adopted budget must be posted on the special district's official website within 30 days after adoption and must remain on the website for at least 2 years. All special districts are required to maintain an official website (See Section 189.069, Florida Statutes). This subsection does not apply to water management districts as defined in Section 373.019, Florida Statutes.

- The proposed budget for a dependent special district must be contained within the general budget of the local governing authority to which it is dependent and be clearly stated as the budget of the dependent district. However, with the concurrence of the local governing authority, a dependent district may be budgeted separately. The dependent district must provide any budget information requested by the local governing authority at the time and place designated by the local governing authority.
- The governing body of each special district at any time within a fiscal year or within 60 days following the end of the fiscal year may amend a budget for that year under certain circumstances. If the governing body of a special district amends the budget, the adopted amendment must be posted on the official web site of the special district within five days after adoption. If the special district does not operate an official web site, the special district must, within a reasonable period of time, transmit the adopted amendment to the manager or administrator of the local general-purpose government or governing authority, who shall post the adopted amendment on the web site of the local general-purpose government or governing authority. Chapter 200, Florida Statutes, and the Truth-in-Millage (TRIM) guidelines promulgated by the Florida Department of Revenue (DOR) outline specific requirements that local governments must follow with respect to adopting property tax rates and budgets. Some of the key requirements are as follows:
- Specific timetables with respect to the noticing of the local Property Appraiser's office for the adoption of the ad valorem millage rate and budget; the scheduling of the tentative and final millage rate/budget public hearings and the respective advertising of the public hearings.
- The preparation of specific forms, which must be sent to the local Property Appraiser's, Tax Collector's offices, and DOR.
- The placement of specific advertisements, which are uniform throughout the state based on the local government's situation.
- Section 17 of this document, Reporting Requirements provides further information regarding recurring local government reporting requirements and links to current state reporting calendars and resources.

2026 Legislative Update - Local Government Financial Transparency and Accountability Act

Chapter 2026-161, Laws of Florida, which takes effect January 1, 2027, revises county and municipal budget transparency requirements. Counties and municipalities should incorporate these requirements into the first applicable budget process and compliance calendar occurring on or after the effective date:

- Post tentative budgets and proposed budget amendments at least five days before the applicable hearing and retain final budgets and adopted amendments online for at least five years. Post tentative budgets at least five days before the applicable budget hearing. For budget amendments requiring governing-body action under Sections 129.06 or 166.241, Florida Statutes, post the proposed amendment at least five days before adoption; counties must also comply with applicable public-hearing notice requirements. Retain final budgets and adopted amendments online for at least five years.
- Provide tentative, adopted tentative, and final budgets in PDF or a similar downloadable format with the financial, staffing, debt, capital, reserve, fund balance, narrative, and graphical information required by the act.
- Publish an annual budget-development calendar by January 30 of each year and prepare and post quarterly employee-compensation summaries in the form required by the act.

- By October 15 each year, beginning in 2027, county and municipal budget officers must electronically submit the specified final-budget and economic-status information as prescribed format to the Office of Economic and Demographic Research (EDR).
- Conduct a public budget-reduction strategy workshop and post the required exercise at least 14 days before final budget adoption. The exercise must identify potential 10 percent reductions without compromising essential public services or legal obligations.
- These county and municipal requirements do not replace the separate requirements applicable to special districts under Section 189.016, Florida Statutes.

Annual Budget Document

The Government Finance Officers Association (GFOA) established the Distinguished Budget Presentation Awards Program (Budget Awards Program) in 1984 to encourage and assist state and local governments to prepare budget documents of the very highest quality that reflect both the guidelines established by the National Advisory Council on State and Local Budgeting and the GFOA's best practices on budgeting and then to recognize individual governments that succeed in achieving that goal.

Documents submitted to the Budget Awards Program are reviewed by selected members of the GFOA professional staff and by outside reviewers with experience in public-sector budgeting.

References

- Sections 129.03 and 129.06, Florida Statutes – County budget preparation, adoption, execution, and amendment. Official link
- Section 166.241, Florida Statutes – Municipal fiscal years, budgets, and budget amendments. Official link
- Section 189.016, Florida Statutes – Special district reports, budgets, and audits. Official link
- Section 189.069, Florida Statutes – Special district official website requirements. Official link
- Chapter 200, Florida Statutes – Determination of millage and TRIM. Official link
- Section 218.32(1), Florida Statutes – Annual financial report requirements. Official link
- Chapter 373 Florida Statutes – Water Resources. Official link
- Chapter 200, Florida Statutes – Determination of millage and TRIM. Official Link
- Chapter 2026-161, Laws of Florida – Local Government Financial Transparency and Accountability Act. Official link
- Florida Department of Revenue – Truth in Millage resources. Official link
- Florida Office of Economic and Demographic Research – Local government resources. Official link
- GFOA Budgeting Best Practices. Official link
- GFOA Distinguished Budget Presentation Awards Program. Official link