

**Date**

October 21, 2021

**Time**

10:10 am – 11:40 am

**Instructor**

Jenifer Schaye, CFE, LLM  
Senior Attorney

**Location**

Virtual

**Method of Delivery**

Webinar

**Learning Level**

Basic

**CPE Hours**

1.0 Hours

**CPA Subject Matter**

Accounting and Auditing

**Yellow Book Subject Matter**

Governmental

**Prerequisite**

None

## Local Government Budget Act

**Description**

This course will give participants an overview of the laws mandating budgeting by local political subdivisions. Participants will also gain an appreciation of the responsibilities of the local executive and local legislative branches as well as the importance of public participation.

**Objectives**

After this class participants will be able to:

- Better understand the budgeting process.
- Better understand compliance issues.


**Who Will Benefit**

- Elected Officials
- Appointed Officials
- Local Government Employees
- Local Government Auditors

**About the Instructor****JENIFER SCHAYE, GENERAL COUNSEL**

Jenifer Schaye is General Counsel for the Legislative Auditor of the State of Louisiana. She is a graduate of the University of Dallas and of St. Louis University Law School. She has practiced law continuously for the last forty-three years in Texas and Louisiana. Jenifer has substantial experience in the governmental arena. She has worked as a Legislative Aid to a State Representative in Texas. She was a Louisiana Assistant Attorney General for eleven years. As an Assistant Attorney General, she focused on tort, insurance law, and gaming law and all aspects of the Administrative Procedure Act. In her capacity as general counsel to the Legislative Auditor, Jenifer advises on public law issues and laws relating to fiscal matters, ethics issues, and all public laws which impact political subdivisions and the audits of political subdivisions on the local and state level. Jenifer also serves as a board member on the Louisiana Survivor's Benefit Board as the Legislative Auditor's designee. In addition, Jenifer represents the Legislative Auditor and staff in those matters where they are called to testify and/or to produce records for further inquiry by state and federal courts. She advises the Louisiana Legislative Audit Advisory Council on relevant audit law issues. Because of her governmental background, Jenifer has a broad knowledge of the processes of government and the relationships between the various branches of state and local government.

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## Local Government Budget Act


Michael J. "Mike" Waguespack, CPA  
Louisiana Legislative Auditor



Presented by: **Jenifer Schaye, CFE**  
**General Counsel**

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OBJECTIVES



-  **Define Elements of LGBA**
-  **Practice Implementing LGBA**
-  **Determine Possible Consequences of Non-Compliance with LGBA**

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# LGBA




## Article VII, §14A of the Constitution

Except as otherwise provided by this constitution, the funds, credit, property, or things of value of the state or of any political subdivision shall not be loaned, pledged, or donated to or for any person, association, or corporation, public or private.

# Budget Planning



# Planning




**A Public Budget – what is it?**

- A legal document
- A public document
- A plan for accounting for revenues and expenditures of the political subdivision
- A complete financial plan

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# Planning




**How can we use the budget?**


A budget is:

- \* A control mechanism
- \* A management tool
- \* A component of planning

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# Preparing the Budget



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# Preparing the Budget

**Strong**



**Weak**



**Budget Message from Chief Executive:**


- Strength of the message?
- Weaknesses of the message?
- What issues have you had?

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# Preparing



**The budget process:**

- \* Executive preparation
- \* Public Input
- \* Legislative review, modification, and enactment
- \* Budget execution
- \* Post audit and evaluation

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# Preparing



**Big Picture**

- \* The political body and the chief executive must function as fiduciaries
- \* The political body and the chief executive must act in the **daylight**
- \* The political body and the chief executive must be aware of substance and procedure
- \* The budget adopted is more than a guide
- \* Amendments must be adopted properly / 5% mandate

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# Side by Side Comparison




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# Public Participation in Budget Process



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# Public Participation




- Budget available for review:
  - 500K or more
    - Notice
    - Publication

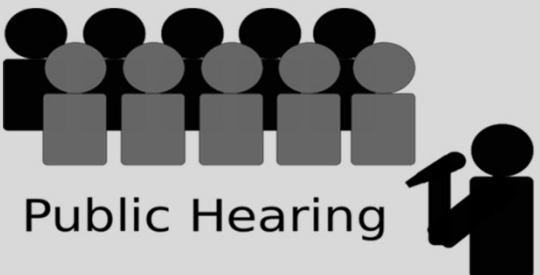


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# Public Participation




- Certification




## Public Hearing

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# Adoption of the Budget



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# Adoption


- Council Review
- Council Amend
- Council Adopt
- Council Reject



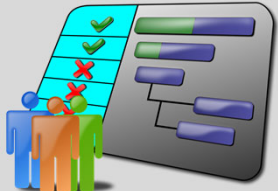
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# Monitoring Implementation of Budget



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# Monitoring


- How would you do this?
- Problems in monitoring?
- What happens if you do not monitor?




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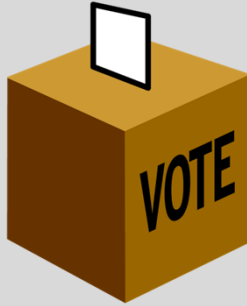
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# Amending the Budget



**MEETING NOTICE!**



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# Amending




- When is amending mandated?
- What does 5% really mean?
- At what time should the amendment occur?

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# Miscellaneous Budget Issues




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# Budget Issues



- New sources of revenue
- New / Unexpected expenses
- Emergency & Extreme Emergency
- Fund Balance/Addressing Deficits






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# LGBA Issues





**Important Issues**

- \* Budget Adoption Instrument
- \* Public Participation
- \* Budget Amendments
- \* Budget Authority and Control
- \* No Budget
- \* Emergencies
- \* Penalties


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# Questions



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**CONTACT INFORMATION**



Mnq lihu#Vekd | h/# IH  
**General Counsel**  
**Louisiana Legislative Auditor**  
**(225) 339-3871**  
[jschaye@lla.la.gov](mailto:jschaye@lla.la.gov)

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