



**Subject:** Budgeting

**Effective Date:**

### **A. Purpose**

- a. The Louisiana Sales and Use Tax Commission for Remote Sellers is authorized to retain 1% of monthly collections for actual expenses incurred.

### **B. Statutory or Regulatory Authority**

- a. LA R.S. 47:340

### **C. Process**

#### a. Budget Preparation and Approval

- i. The budget shall be prepared by the Executive Director and submitted to the Chairman no later than March 31<sup>st</sup> of the preceding year for which the budget shall be in effect.
- ii. The budget shall be presented to the full Commission no later than the April meeting of the preceding year for which the budget shall be in effect.
- iii. The budget will be introduced and discussed in one Commission meeting and voted on in a subsequent Commission meeting.
- iv. The Commission will approve the budget no later than 15 days prior to the beginning of the fiscal year.

#### b. Budget Format

- i. The budget should show the current year's actuals and estimated revenues and expenditures to be made by the end of the year compared to the current year's budget as well as the percentage increase or decrease for the new budget.
- ii. The budget should also show the estimated "fund balance" at the end of the year. In the case of the Commission this is not a true fund balance because dollars retained as part of the 1% administrative fee in excess of actual expenses will be distributed after the final close out for the year back to the tax administrators for distribution to the taxing jurisdictions.

#### c. Monitoring the Budget

- i. The Executive Director should report budget-to-actual comparisons to the Commission on a monthly basis.

#### d. Amending the Budget

- i. At any time that the Executive Director estimates that the expenditures in a budget category (i.e. Operating Expenses, Professional Contracts, etc) are going to exceed 5% of the budgeted amount, an amendment to the budget should be presented and considered at a Commission meeting within 60 days.