

SUMMARY OF MUNICIPALITY FISCAL YEAR ISSUES

State Constitution:

- Article X, Section 1 of the Oklahoma Constitution provides that the fiscal year shall commence on the first day of July in each year, unless otherwise provided by law.

Charter Cities:

- Charter cities are defined as those with a population of at least 2,000 that has adopted a charter (its organic law) through voter approval.
- Attorney General Opinion 1996-4 concludes that a city may establish, by charter, a fiscal year other than that provided in the Constitution.
- If the city charter is silent as to the fiscal year, the change in fiscal year may be made by action of the City's governing body, without voter approval.
- If the city charter specifies a July 1 - June 30 fiscal year, a change in that charter provision would require voter approval.

Non-Charter Cities and Towns:

- There are no state statutes which directly prohibit or conflict with the establishment of a fiscal year other than July 1 - June 30.
- AG Opinion 1996-4 does not address whether a non-charter city or town may adopt a fiscal year other than July 1 - June 30. It only addresses charter cities.
- Non-charter cities and towns wishing to change its fiscal year should consult legal counsel. The authority to adopt an ordinance that provides a fiscal year that differs from that defined in the Constitution depends on particular factual circumstances and a legal determination.

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Comparison of Alternative Fiscal Years

	July 1 – June 30	Oct 1 – Sept 30	Jan 1 – Dec 31
Positive Aspects	<ul style="list-style-type: none"> • Consistent with the State of Oklahoma and most other local governments. • Consistent with most State of Oklahoma granting agency periods. 	<ul style="list-style-type: none"> • Provides for sufficient orientation and training of newly elected officials prior to first budget process. • Consistent with the Federal fiscal year and granting periods. • Summer recreation programs are managed and funded in one fiscal year. • Year-end closing financial and reporting activities falls into a period less active than summer periods when most vacations are taken. 	<ul style="list-style-type: none"> • Provides for sufficient orientation and training of newly elected officials prior to first budget process. • Consistent with annual reporting requirements for payroll. • Summer recreation programs are managed and funded in one fiscal year. • Year-end closing financial and reporting activities falls into a period less active than summer periods when most vacations are taken.
Negative Aspects	<ul style="list-style-type: none"> • Doesn't provide for sufficient orientation and training of newly elected officials prior to first budget process. • Doesn't coincide with annual payroll reporting period. • Management and funding of summer recreation programs are split between two fiscal years. • Year-end closing financial and reporting activities fall in the period of most vacations. 	<ul style="list-style-type: none"> • Not consistent with the State of Oklahoma and most other local governments. • Not consistent with most State of Oklahoma granting agency periods. 	<ul style="list-style-type: none"> • Not consistent with the State of Oklahoma and most other local governments. • Not consistent with most State of Oklahoma granting agency periods.