

**CITY OF EXAMPLE, OKLAHOMA**  
**CONSTITUTIONAL BUDGET BY PURPOSE**  
**FY 200X-200Y**

**Objective:** To adopt an annual appropriated budget for the municipality as a whole with appropriations established by purpose, as defined in the Oklahoma Constitution, and to indicate the source of income and revenue provided for the purpose.

**Article 10, § 26 of the Oklahoma Constitution**

Except as herein otherwise provided, no county, city, town, township, school district, or other political corporation, or subdivision of the state, shall be allowed to become indebted, in any manner, or for any purpose, to an amount exceeding, in any year, the income and revenue provided for such year without assent of three-fifths of the voters thereof, . . . . (emphasis added)

**Relevant Oklahoma Case Law Definitions**

**Appropriation** is defined as the governing body's authorization to obligate the municipality for a contract or claim for a specific purpose. *Sinclair-Prairie Pipe Line Co. v. Excise Board of Seminole County, 1935 OK 165, 42 P. 2d 501 and Anadarko Funeral Home v. Scarth, 1935 OK 5 P. 2d 747*

**Income and revenue provided** for that purpose for that year is defined by reference to the appropriation. *City of Sand Springs v. Kraus, 1937 OK 517, 72 P. 2d 726, 727*

**Become indebted** is defined as decision to fund a contract or claim at the time the municipality incurs the obligation by the use of revenues from the contemporaneous fiscal year. *City of Del City v. Fraternal Order of Police, Lodge No. 114, 1993 OK 169, 869 P.2d 309*

**Purpose** is defined as the specific budget item for the contract or claim. *Sinclair-Prairie Pipe Line Co. v. Excise Board of Seminole County, 1935 OK 165, 42 P. 2d 501*

**Budgetary Approach:** This Constitutional Budget by Purpose is similar to a program budget. Appropriations are established by "Purpose" without regard to fund accounting. Income and revenue sources are identified by major category also without regard to fund accounting. Encumbrances or contractual commitments (becoming indebted as defined in the Constitution) must not exceed the amount appropriated for that "Purpose".