



# COUNTY OF EL DORADO, CALIFORNIA

## BOARD OF SUPERVISORS POLICY

Subject:  BUDGET CONTROL AND RESPONSIBILITY	Policy Number:  B-1	Page Number:  1 of 3
	Date Adopted: 12/22/1987	Effective Date: XX/XX/XXXX

### I. PURPOSE

The purpose of this policy is to identify the areas of responsibility for administration of the annual budget.

### II. POLICY

It is the primary responsibility of department heads to maintain their department's expenditure levels within the approved budget and to collect the full amount of revenues budgeted. It is also the department heads' responsibility to initiate budget adjustments (Budget Transfers) in a timely manner so that their department's budget record accurately reflects (a) estimated annual revenues, and (b) the distribution of Board approved appropriations among their expenditure classes as required to meet operational needs, and meets the requirements of the County Budget Act and Board Policy B-16..

#### DEFINITIONS:

Expenditure/Object Class/Character Code: A major category of appropriation objects. Examples: "Salaries and Benefits", "Services and Supplies", "Fixed Assets".

Org: An organizational unit used by County management to track budgetary activity (revenues and expenditures) related to specific program or function.

Revenue class: A major category of revenue objects. Examples: "Taxes", "State Revenue", "Federal Revenue" or "Charges for Services".

Object: A line item description of expenditure or revenue. Example: "Office Expense" is an object in the expenditure/object class "Services and Supplies".

Sub fund: A fiscal and accounting set of self-balancing accounts for which cash is segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

### III. PROCEDURE

1. Budget transfer forms should be prepared by the department, submitted to the Auditor-Controller's Office for pre-auditing and then forwarded to the Chief Administrative Office for review.
  - a. All budget transfers require the approval of the department head and the Chief Administrative Office.
  - b. Increases or decreases in the total departmental appropriations and/or departmental estimated revenues must be approved by the Chief Administrative Office and the Board of Supervisors.



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2. If a budget over-expenditure is going to occur at the department sub fund expenditure/object class level and the expenditures are within the department’s control, the department head shall perform one or more of the following steps:
  - a. Lower the expenditure level to maintain overall expenditures within the budgeted amount for the expenditure/object class.
  - b. Request a transfer from another object within the same org.
  - c. Request a transfer from another org within the same sub fund under the department head’s control.
  
3. If a revenue estimate is not going to be met, the department head shall do one or both of the following:
  - a. Attempt to speed up revenue collections, or increase rates being charged.
  - b. Lower expenditure levels to the extent possible to match reduced revenue estimates.

In all cases, the department head shall notify the Chief Administrative Officer of the reduced revenue estimate so that necessary estimates of year-end fund balance can be adjusted.

4. If a department’s overall budget will be over-expended because of circumstances beyond the department’s control (i.e., unbudgeted sick leave and comp time payoffs, retirements, equipment failure, operational emergencies) the department head shall notify the Chief Administrative Office and request a transfer from either a related budget under the control of the department or from an appropriate contingency appropriation, to cover such over-expenditures. The Department shall then submit a Board agenda item and budget transfer form to the Chief Administrative Officer, providing adequate justification for the requested transfer, for consideration and approval by the Board of Supervisors.
  
5. It shall be the responsibility of the Auditor-Controller’s Office to not allow payment to be processed and disbursed when over-expenditures of an expenditure class other than Class 30, “Salaries and Employee Benefits”, have occurred, or will be caused to occur, during the fiscal year within a department’s budget at the sub fund level with the following exception:

The Auditor-Controller’s Office will process and disburse all payments submitted after June 30 for goods and services received prior to July 1. Once the prior year’s financial records are finalized, the Auditor-Controller shall provide the Board of Supervisors with a departmental budget performance schedule that indicates the departments that exceeded either their appropriations by expenditure class or their Net County Cost.

6. It shall be the responsibility of the Chief Administrative Officer to determine when, or if, the shortfall of department revenues requires budget changes. If such a situation occurs, and the department has not completed action described in Section 1 above, the Chief Administrative Officer shall submit the necessary budget transfer form to the Board of Supervisors for consideration and approval.



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**IV. REFERENCES**

California Budget Act; El Dorado County Policy B-16 – Budget Policies

**V. RESPONSIBLE DEPARTMENT**

Chief Administrative Office in conjunction with Auditor-Controller

**VI. DATES ISSUED AND REVISED; SUNSET DATES:**

<b>Issue Date:</b>	12/22/1987	<b>Sunset Review Date:</b>	N/A
<b>Revision Date:</b>	09/18/2007; 03/06/2018	<b>Next Review Date:</b>	03/06/2023