

BUDGET MODIFICATIONS

SUMMARY

This procedure describes the process for obtaining authorization for increasing a departmental budget appropriation from the original budget ordinance adopted at the beginning of the fiscal year.

Background

Budget appropriations are controlled at the department/fund level and are established accordingly in the annual budget ordinances. A change to a department/fund appropriation may take two general forms:

1. A change in expenditure appropriations within a fund, such as the General Fund. Since this represents a movement of appropriation within a fund, it is termed a "Budget Amendment" and is submitted to the County Commission as a resolution. With Budget Amendments, the total appropriation amount of the fund does not change.
2. An increase in total revenue and expenditure appropriation to a fund. This situation may be caused by additional unexpected activities which affect revenue and/or corresponding costs. It may also result from a budget amendment, as described above, if the department/fund is partially General Fund supported. Since expenditures exceed authorized appropriations and this necessitates the appropriation of new revenue, approval must be obtained from the County Commission by ordinance. Such an ordinance is termed a "Supplemental Budget." With Supplemental Budgets, the total appropriation amount of the fund changes.

PROCEDURE

For budget reallocations (when total departmental appropriation by fund is not exceeded):

1. Determine, through accurate, periodic forecasting of expenditures, if the division, section, or work unit will exceed the authorized spending level prescribed by the department's appropriation and subordinate allocations.
2. Review budget variances with department's budget manager, fiscal officer, or individual responsible for budget control. If spending variances are unavoidable, identify area in which department is under spending from which expenditure authority (budget) can be reallocated. If department approval is obtained and if re-allocation complies with the following guidelines set forth in Ord. 07-45 which states "Any department director, executive director, or individual with the responsibility of budget development and monitoring who anticipates or has reason to believe that the annual budget of a department or agency may exceed the sum appropriated in the approved budget shall immediately provide written notification to the Budget Director.", follow Step 3:
 - a. The reallocation amount(s) does not cumulatively exceed 10 percent of the departmental fund(s) total appropriation. If the reallocation exceeds 10 percent, County Commission approval is required prior to completing the budget modification(s).
 - b. The under spending category being re-appropriated is "personnel" it will require County Commission approval prior to completing the budget modification(s).

3. Complete Budget Transaction reflecting line item budget changes. Budget transactions must be balanced in that an increase in line item expenditure must be offset by a reduction of the same amount in another line item.
4. Obtain appropriate department approval and send to the Office of Management and Budget (OMB). A line item budget may not be considered amended until OMB approval is granted.

For Increasing Total Department Appropriations by Fund

1. Contact budget analyst in OMB if, following review of all subordinate entity projections, a department/fund expenditure projection will exceed the appropriation contained in the budget ordinance. A department/fund appropriation may only be changed by the County Commission by either a budget amendment or by a supplemental budget ordinance or both and no appropriation may be considered amended until such action is taken.
2. After a budget amendment and/or a supplemental budget is approved by the Board of County Commissioners, prepare and submit to OMB a Budget Transaction reflecting necessary appropriation changes in FAMIS.

CONTACT(S):

Department/Division

Office of Management and Budget