

	CHAPTER: Budget	POLICY: Budget Adjustment
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SUBJECT: Budget and Allotment Adjustments		
RELATED POLICIES:	ENABLING RESOLUTION:	#74-1991
	RESOLUTION DATE:	March 13, 1991
	REVISED RESOLUTION & DATE:	#3-1999 – 1/13/99 #175-2001 – 11/28/01
OFFICE WITH PRIMARY RESPONSIBILITY: Budget Department, Division of Finance		

I. PURPOSE

To provide for the most efficient and effective use of funds entrusted to Sedgwick County through systematic tracking of revenues and expenditures.

II. POLICY STATEMENT

The Board of County Commissioners shall approve an annual budget for all County departments and other agencies for which Sedgwick County or a component unit of Sedgwick County is administratively responsible.

It is the responsibility of the County Manager to develop and recommend to the Board of County Commissioners an annual budget in compliance with state laws. The County Manager shall hire such staff as necessary and implement procedures to develop, monitor, and adjust the annual budget.

The fiscal year of Sedgwick County shall be contiguous with the calendar year.

III. DEFINITIONS

Allotment – The portion of an appropriation available for commitment during each quarter of the current year.

Amendment -- The adjustment of an adopted budget that increases or reduces the total spending authority (appropriation) of a discrete accounting fund.

Budget Adjustment Request Form (BARF) – An online form used to request a change in the budget adopted by the Board of County Commissioners (BOCC). Requested changes may include allotments, reallocations, transfers, and amendments.

Component Unit – A legally separate organization for which the BOCC is financially accountable or for which the nature and significance of its relationship with Sedgwick County is such that exclusion would cause the County’s financial statements to be misleading or incomplete.

Emergency Purchase – Acquisition of goods or services due to unforeseen circumstance or a situation which may cause imminent danger to employees or the public, cripple an essential service, or result in litigation for failure to perform.

Expenditure Category – Groupings of expenditures by type for budgetary purposes. Sedgwick County uses the following categories:

- (4) Personnel - Expenditures related to employee compensation, including associated benefits.
- (5) Contractual Services - Goods and services received from external sources by contractual arrangement, including utility charges.
- (6) Commodities - Consumable goods typically purchased on a regular basis with a unit cost of less than \$1,000.
- (7) Capital Improvements - Building construction, land acquisition, or structural changes which extend the life of a capital asset.
- (8) Capital Outlay - Purchases of durable items with a unit cost in excess of \$1,000.
- (9) Interfund - Expenditures for services provided by other County departments (e.g., motor pool).

Reallocate – Movement of anticipated revenue or appropriation from one object code to another within a division budget.

Revenue – Receipt of cash from all sources.

Transfer – Movement of anticipated revenue or appropriation from one object code to another between division budgets.

IV. PROCEDURE

A. **Budget Adjustments**

1. *Request procedure.* The elected official, division director, department head, or designee with authority over a budgetary department or fund shall complete a budget adjustment request form online and forward it to the Budget Department.

The Budget Director may submit a budget adjustment on behalf of any department that has posted charges to inappropriate object codes to allow the errors to be corrected. The affected department may be consulted concerning the source of funds to be transferred to cover any erroneously posted charges.

* *Departments may request **emergency purchases** that cannot be funded from their remaining budget balance subject to approval of the Purchasing Director and the County Manager. Each such purchase shall be made in accordance with County policies and procedures addressing emergency purchases. The requesting department shall notify the Budget Director of any unbudgeted*

emergency purchase by the close of the next working day so the necessary budget adjustments may be processed.

2. *Review procedure.* The assigned Budget staff member will review the adjustment request, call the department if additional information is needed, and process the adjustment if appropriate. The request will then be forwarded to the Budget Director for approval. If approved by the Budget Director, the request will either be entered into the budget system or placed on the BOCC agenda for approval.
 - A. Budget adjustment requests may not be processed or may be denied if the information provided is insufficient or if the justification for the adjustment is not acceptable to the Budget Director.
 - B. Budget staff will attempt to contact the requesting department to request additional information or explain why the request is being denied. If the department representative cannot be reached via telephone or electronic mail, requests that are either denied or not processed will be returned to the requesting department with an explanation of the request's deficiency.

3. *Approval procedure.*
 - A. The following types of adjustments require approval by the Board of County Commissioners in addition to approval by the Budget Director:
 - i. Reallocations exceeding \$250,000 within an authorized division budget or between authorized division budgets.
Amendment requests of any amount.
 - B. Approval of budget adjustments by the Board of County Commissioners shall be attained through placement on the consent agenda at a regular BOCC meeting. Following action by the Board of County Commissioners, the Budget Director shall insert a notation of "approval" or "disapproval" followed by the Commission agenda item number and meeting date on the face of the budget adjustment document. Departments may request BOCC approval at a specific meeting, and every effort will be made to obtain approval on that date. Adjustment requests are due to the Budget Department by 4:00 p.m. on the Thursday preceding the specified BOCC meeting to be eligible for placement on the BOCC agenda.
 - C. Reallocations exceeding \$50,000 but not greater than \$250,000 within an authorized division budget or between authorized division budgets require approval of the County Manager in addition to the Budget Director. The County Manager may designate a subordinate official to approve or disapprove budget reallocations in his absence.

- D. Approval of budget reallocations by the County Manager or his designee shall be evidenced by signature on the face of the budget adjustment document.
 - E. Reallocations not greater than \$50,000 within an authorized division budget or between authorized division budgets require approval of the Budget Director. The Budget Director may designate a subordinate official to approve or disapprove budget reallocations in his absence.
 - F. Approval of budget reallocations by the Budget Director or his designee shall be evidenced by signature on the face of the budget adjustment document.
- 4. Budget adjustments will be entered into the budget system on the day they are approved in accordance with this policy.
 - 5. The Budget Director will inform the Board of County Commissioners of each budget reallocation of more than \$25,000 and less than \$250,000 within one week of the date of the adjustment.

B. Quarterly Allotments

- 1. Departments will have the opportunity to select quarterly allotment levels during the two-week period prior to the affected quarter. The Budget Director will send departments a memorandum at the beginning of the two-week period explaining the procedures involved.
- 2. Requests for allotment changes not related to transfers or supplemental appropriations should be submitted to Budget Department via the online budget adjustment system. Most requests should be processed and entered into the system on the same day.
- 3. It is the department's responsibility to ensure all charges can be posted within the amount allotted in the current quarter. The Budget Director may approve allotments as needed to close the month-end accounting system's outstanding direct entries without a request from the affected department.
- 4. Where applicable, departments have the responsibility to ensure revenues are sufficient to provide for commitments. Quarterly allotments may be decreased by the Budget Department to ensure that commitments within funds do not surpass current revenue totals.

C. Request for Additional Resources

When needs arise that cannot be managed within a departmental budget, departments should consult with budget staff to determine available options. After adoption of the legal budget, requests for additional funding in the current year, either from internal County departments or from external agencies, should be

made in writing to the budget director. Such requests should include the following information:

- * Explanation of the problem or need
- * Amount requested
- * Date needed
- * Options considered or already attempted

The budget director shall analyze the request and make a recommendation to the County Manager based on the current financial condition of the County and the particular public policy issues involved in the request.

Requests for temporary positions and double-filling of positions should be directed to the budget department analyst assigned to your department for verification of available funding prior to requesting approval from the County Manager.