

	<p align="center">Budget Transfer Policy</p> <p align="right"><i>Adopted on: 03/13/1991</i></p>
<p align="center">Last Revision Date: 03/01/2023</p>	<p align="center">Policy No. 2.202</p>
<p align="center">Last Enabling Resolution:</p> <p align="center">036-2023/903-2023</p>	<p align="center">Developer/Reviewer:</p> <p align="center">Budget Office</p>

1. Purpose

To provide for the administration of the County budget after adoption by the Board of County Commissioners (BOCC).

2. Scope

Financial policies adopted by the BOCC shall apply to all Sedgwick County government, including elected and appointed officials, divisions, and departments in the performance of their official duties for or on behalf of Sedgwick County government. The Division of Finance has authority to set policies and procedures consistent with BOCC goals.

3. Policy Statement

The BOCC shall approve an annual budget for all County divisions and departments and other agencies for which Sedgwick County or a component unit of Sedgwick County is administratively responsible. The fiscal year of Sedgwick County shall coincide with the calendar year.

The budget is a spending plan adopted at a point in time to allocate resources that will be received and expended in the future. As conditions and priorities change after a budget is adopted, it may be appropriate to change an adopted budget. It is the policy of the BOCC that the budget is to be changed only as provided herein.

4. Definitions

- A. **Budget Authority** – The portion of an adopted budget available for commitment during the current year.
- B. **Budget Supplement** – The adjustment of an adopted budget that increases or reduces the total spending authority of a discrete accounting fund.
- C. **Budget Transfer** – Movement of anticipated revenue or budget authority from one revenue or expenditure category to another within department budgets within a discrete accounting fund.

- D. **Budget Release** – The release of budget authority allocated to a department that increases or reduces the total spending authority available.
- E. **Commitment Item** – The most detailed unit of budgetary revenues and expenditures listed in the Sedgwick County financial system and reports. Commitment items are tracked by five-digit object codes with the first two digits representing the revenue or expenditure category.
- F. **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.
- G. **Expenditure Category** – Grouping of expenditures by type for budgetary purposes. Sedgwick County uses the following categories:
1. Personnel – Expenditures related to employee compensation, including associated benefits.
 2. Contractual Services – Services received by contractual arrangement, including Fleet charges and utility charges.
 3. Debt Service – Payments of interest and repayment of principal to holders of Sedgwick County bonds and other debt instruments.
 4. Commodities – Consumable goods typically purchased on a regular basis that have a unit cost of less than \$10,000.
 5. Capital Improvements – Building construction, land acquisition, or structural changes which create or extend the life of a capital asset.
 6. Capital Outlay – Purchases of durable items with a unit cost equal to or greater than \$10,000.
 7. Inter-fund Transfers – The movement of funding between and among discrete accounting funds, such as the movement of cash from the General Fund to a Capital Projects Fund. The transfer out of the General Fund is an expenditure and the corresponding transfer in to the Capital Projects Fund is a revenue for budgetary purposes.
- H. **Cost Center** – Individual program, service, or project within the Sedgwick County financial structure. Cost centers are tracked by an eight-digit code. The first two digits identify the division and department, while the final three digits identify the fund associated with the program, service, or project. Departments submit annual budget requests at this level.
- I. **Revenue Category** – Groupings of revenues by type for budgetary purposes. Sedgwick County uses the following categories:
1. Taxes – Ad valorem, motor vehicle, retail sales and use, and other taxes.
 2. Licenses & Permits – Receipts from all licenses and permits, including cereal malt beverage and fish and game licenses.

3. Intergovernmental – Receipts from other governments, including Federal, State, and local sources, in the form of grants, shared revenues, and payments in lieu of taxes.
4. Charges for Service – Fees charged to users of a service to offset the incurred cost.
5. Fines & Forfeitures – Fines and other assessed financial penalties, not including tax payment penalties.
6. Miscellaneous – Monies received from sources that are not able to be grouped in other revenue categories, including gaming revenues, auction proceeds, canceled warrants, refunds, and other sources.
7. Reimbursements – Compensation for past expenditures.
8. Uses of Money and Property – Primarily includes investment income on idle cash and penalty and interest on back taxes.
9. Interfund Transfers – The movement of funding among discrete accounting funds, such as the movement of cash from the General Fund to a Capital Projects Fund. The transfer out of the General Fund is an expenditure and the corresponding transfer in to the Capital Projects Fund is a revenue for budgetary purposes.

5. Procedures

A. Budget Transfers

1. Request procedure. The elected official, division director, department head, or designee with authority over a budgetary department or fund shall complete workflow for a particular fund center and category within the financial system via the budget workflow process. The Budget Director may execute a budget transfer 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.
2. Review procedure. The assigned Budget Analyst will review the transfer request, contact the department if additional information is needed, and process the transfer if appropriate.
3. Approval authority
 - a. Budget Analysts are authorized to approve budget transfers up to \$24,999.
 - b. The Budget Director or their designee is authorized to approve Budget transfers exceeding \$24,999 but not greater than \$49,999.
 - c. Budget transfers exceeding \$49,999 but not greater than \$249,999 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 transfers in their absence.
 - d. The following types of adjustments require approval by the BOCC in addition to approval by the Budget Director:
 - i. Budget Reallocations or Budget Transfers exceeding \$249,999.
 - ii. Budget Supplement requests of any amount.

4. Approval procedure
 - a. Approval of budget adjustments by the Budget Director or the County Manager or their designees shall be evidenced by E-mail stating approved or not approved.
 - b. Budget Transfers may not be processed or may be denied if the information provided by the requestor is insufficient or if the justification for the adjustment is not acceptable to the authorized approving official.
 - c. The assigned Budget Analyst will contact the requesting department to request additional information or explain why the request is being denied by E-mail.
5. The Budget Director will inform the BOCC of each budget transfer of more than \$24,999 and less than \$250,000 within five (5) business days of the date of the transfer.

B. Determination of Budget Authority

1. Budget authority for a given calendar year is determined the previous year through the budget development process and with final adoption by the BOCC.
2. Budget authority will be released on a quarterly schedule determined by the Budget Director or their designee. At any time, departments may ask for a release of budget authority by submitting workflow in the financial system.
3. It is the department's responsibility to ensure all charges can be posted at all times. The Budget Director or assigned Budget Analyst may approve transfers or releases 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. Budget authority may be decreased by the Budget Office to ensure that commitments within funds do not surpass current revenue totals and available fund balance.

C. Request for Additional Resources

1. Request procedure. When needs arise that cannot be managed within a departmental budget, departments should consult with Budget staff to determine available options, which may take the form of requesting the use of personnel budget authority or the use of contingency funds. After adoption of the budget, requests for additional spending authority in the current year should be made in writing to the assigned Budget Analyst. Such requests should include the following information:
 - a. Explanation of the problem or need.
 - b. Amount requested.
 - c. Date needed.
 - d. Options considered or already attempted.
2. Review procedure. The assigned Budget Analyst will review the adjustment request, contact the department if additional information is needed, and make a recommendation to the Budget Director via E-mail. The Budget Director shall analyze the request.

3. Approval authority.
 - a. If a request is for less than \$49,999 and requires no change of the staffing table in terms of number of positions, salary increases, position type, or an increase in position grade, the Budget Director shall either approve or disapprove the request in writing, which will be relayed to the department by the assigned Budget Analyst.
 - b. If the request requires a budget adjustment of more than \$49,999 but not more than \$249,999, or requires a change of the authorized staffing table that requires approval from the County Manager based on staffing table policy, the Budget Director shall 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, and the County Manager shall either approve or disapprove the request, which decision the Budget Director shall subsequently report in writing to the assigned Budget Analyst to relay to the requesting department.
 - c. If the request requires a budget adjustment of more than \$249,999, or if a staffing table change is proposed that must be approved by the BOCC, the request must go before the BOCC by being placed on a public meeting agenda by the requesting department. The BOCC shall either approve or disapprove the request.
 - d. If approved, the Budget Director will inform the BOCC of each request of more than \$24,999 and less than \$250,000 within five (5) business days of the date of the transfer.