

TO: ALL COUNTY PERSONNEL

**FROM: VERDENIA C. BAKER
COUNTY ADMINISTRATOR**

PREPARED BY: OFFICE OF FINANCIAL MANAGEMENT & BUDGET (OFMB)

SUBJECT: BUDGET TRANSFERS AND AMENDMENTS

PPM #: CW-F-013

ISSUE DATE
July 31, 2020

EFFECTIVE DATE
July 31, 2020

PURPOSE:

To provide guidelines and direction to County Departments, Divisions and Agencies on the policies and procedures relating to the preparation of budget transfers and amendments.

UPDATES:

Future updates to this PPM are the responsibility of the Director of OFMB.

AUTHORITY:

- Florida Statutes Section 129.06, as may be amended.
- Board of County Commissioners (BCC) delegation of authority to the Director of OFMB (BCC Meeting Date – February 25, 1986).
- Palm Beach County Administrative Code, Section 304.01, as may be amended.

DEFINITIONS:

1. Appropriation Unit

A group of one or more related expenditure accounts which represents the level of budgetary control established in the County's Financial System. See Attachment A.

Individual line item accounts (e.g., salaries & wages, overtime, FICA, retirement, etc.) within an established appropriation unit (e.g., Personal Services) may run a negative balance so long as the group of accounts comprising the appropriation unit have sufficient funds in the aggregate.

2. Budget Amendment

An increase or decrease in budgeted revenues with a corresponding increase or decrease in appropriations within the same fund. The budgeted fund total **is** changed.

3. Budget Transfer

A transfer of appropriations among two or more accounts within the same fund. The budgeted fund total **is not** changed.

4. Cost Center

An organizational division or unit for which accounts are maintained. Referred to as a "unit" in the County's Financial System.

5. ZAP

ZAP is the process used by OFMB during budget development to load the actual Year to Date (ytd) expenditures in the estimate column in the budget development application and calculate the following year budget amount for all capital project funds.

POLICY:

I. Approval Authority:

A. Board of County Commissioners (BCC)

BCC approval is required for the following:

1. Transfers between Departments (i.e., Interdepartmental Transfers);
2. Transfers involving the addition of positions;
3. Transfers between capital projects;
4. Transfers substantially altering or amending a Department's or Division's approved work program;
5. Transfers from reserves, except as specified in subsection B of this PPM (Approval Authority - OFMB); and
6. Budget Amendments, except as specified in subsection B of this PPM (Approval Authority - OFMB).

B. Administrative Approvals:

Approval by the County Administrator or an Assistant County Administrator is required for the following requests:

1. Requests establishing or increasing machinery and equipment accounts (64xx object codes). (See the Expenditure Chart of Accounts in the Budget Instruction Manual for qualifying expenditures under this object code class)
2. Requests to transfer funds to the Employee Recognition Object Code 4802
3. Requests to transfer lapsed salaries to operating appropriations as per Section III below

Departments shall obtain Administrative Approval prior to submitting to OFMB

C. OFMB Approvals:

The Director of OFMB, the Budget Director, the Assistant Budget Director, and the Budget Manager are authorized to approve the following:

1. Transfers between appropriation units within the same fund and Department (i.e., Intra-departmental Transfers);
2. Transfers from designated capital project reserves to establish budgets for capital projects previously approved by the BCC;
3. Transfers from reserves for donations when amounts have been donated for specific purposes;
4. Transfers from department specific operating reserves within special revenue funds and internal service funds;
5. Transfers from completed or substantially completed capital project budget accounts to reserve accounts following project completion or substantial completion;
6. Amendments in Capital Project Funds or the Capital Funds of Proprietary Funds adjusting balances forward and project appropriations for differences between actual and estimated expenses of the prior fiscal year (ZAP and Late Expenditures);
7. Amendments or transfers in any fund necessary to re-establish in the current fiscal year amendments or transfers approved by the Board in the prior fiscal year (Late Transfers or Amendments, Agenda Items after Budget Completion, etc.); and

8. Amendments in the current fiscal year in any fund to adjust revenue and appropriation balances carried forward for grants from the prior fiscal year (Grant Carryforwards).

OFMB may request concurrence approval for transfers relating to specific areas of expertise (i.e., Information System Services for hardware, software, and telephone equipment).

The County Administrator or the Director of OFMB may require any item within the scope of OFMB's approval authority to be submitted to the BCC for specific approval.

D. Financial System Budget Document Approval:

Approval authority for Budget Documents (BGEX and BGRV) shall be as provided for in Countywide PPM # CW-F-020, "Computer Security for the County's Automated Financial System."

II. Level of Budgetary Control

For most Departments, budgetary control will be maintained at the level indicated by the appropriation units listed on **Attachment A**. In most cases, appropriation units will be established at the **cost center** (i.e., unit) level.

No budget transfers will be necessary so long as the total dollar amounts in the established appropriation units are **not exceeded**. Individual accounts within an appropriation unit **will be permitted** to run a negative balance. However, negative budget lines in capital project units must be eliminated prior to the ZAP process when financial information is loaded into the budget development application.

Generally, OFMB will **not** process other budget transfer requests which are intended only to eliminate negative balances for individual accounts **within** an established appropriation unit.

III. Restrictions

Because lapsed salaries typically comprise a significant portion of the cash balance forwards of most operating budgets, no budget transfers out of the Personal Services appropriation unit will be permitted except to provide for temporary services to cover a vacancy unless approved by the County Administrator or an Assistant County Administrator.

IV. Timing of Budget Transfer or Budget Amendment Requests

For those expenditures considered to be controllable by a Department, the timing of the budget transfer or amendment request shall be such that a proper review of the request by OFMB can be made **before** the appropriation unit is over expended.

Examples of line items that are considered to be controllable include: overtime, temporary services, travel and per diem, registration fees, office supplies, office furniture and equipment, operating supplies, books, publications, subscriptions and memberships, and machinery and equipment.

V. Department Director Responsibilities

A. Personal Services

Department Directors will be responsible for, and held accountable for, monitoring their operating and capital outlay budgets to ensure a transfer from the Personal Services appropriation unit will **not** be necessary, except as provided in Section III above.

B. Internal Service and Interdepartmental Charges

Departments will be responsible for ensuring sufficient funds remain in the proper appropriation unit to cover, at a minimum, the **fixed cost (i.e., non-discretionary) component** of various internal service and interdepartmental charges (e.g., ISS, Fleet Management, County Attorney, Indirect Costs, etc.).

PROCEDURES:

I. BCC Approved Budget Transfers/Amendments

A. Required Documents

Departments must include the following back-up documents when submitting a budget transfer or amendment requiring Board approval:

1. Completed Agenda Item Summary Form including justification and Fiscal Impact Analysis sections.
2. Completed Budget Transfer/Amendment form, signed by the Department Head or authorized designee, with account numbers and descriptions, and the BGEX and/or BGRV document numbers.

B. General Procedures

In general, the following steps are involved in the preparation, review and processing of budget transfers or amendments requiring Board approval:

1. Initiation of Request

The Department or Division making the request completes the Agenda Item Summary Form and Budget Transfer/Amendment form, and generates the on-line financial system document(s). The financial system document(s) shall be validated by the authorized staff and the document number shall be listed on the Transfer/Amendment form.

2. Concurrence Approvals (if applicable)

If the concurrence of another Department or Division is requested by OFMB, an e-mail directly from a Department Head or designee with concurrence approval authority may take the place of the signature.

3. Submission to OFMB

After all concurrence approvals are obtained, the request is submitted to OFMB for review.

4. OFMB Review

OFMB will review the request and comment as appropriate (A House Bill number will also be given by OFMB before the Budget Analyst reviews).

5. Submission to Administration

All approved requests will be submitted to Administration for inclusion on the Board's Agenda listed under the requesting department's section of the agenda either as a regular agenda item or a consent agenda item as appropriate.

All requests from the General Fund contingency will be Regular Agenda items.

6. Posting to the County's Financial System

All requests approved by the Board of County Commissioners will be posted to the accounting system by the Budget Division within one week of approval by the Board.

Amendments/Transfers approved by the Board pending a subsequent event (i.e., grant award) will be held in the Budget Office, and not processed, until proof of the event is submitted by the requesting Department.

C. Justification Requirements

In general, justification for a transfer or amendment must be concise and complete. More specifically, the justification must address the following issues to be acceptable:

A complete explanation as to why the transfer or amendment is necessary. For over expended appropriation units, it is **not** sufficient to simply state that the appropriation unit is or will be over expended. The circumstances that led to, or will lead to, the appropriation unit being over expended must also be explained.

Any future costs associated with the completion of or continuation of the request must also be included in the justification.

Incomplete requests will be returned to the requesting Department or Division for further information. This may involve a delay in getting the item before the Board.

D. Submission Deadlines

All budget transfers or amendments requiring Board approval must be received in OFMB according to the due dates established on the Agenda Item submittal schedule.

If a request is not received in OFMB (with all approval/concurrence signatures as required) by the specified deadlines above, the request may be placed on the agenda for the following Board meeting date.

II. OFMB Approved (Non-Board) Budget Transfers/Amendments:

A. Required Documents

When submitting Non-Board transfers/amendments for OFMB approval, Departments must include a memorandum addressed to OFMB providing justification for the request signed by the director or other authorized personnel, and the Document ID numbers. The signed memo or e-mail may be scanned and submitted electronically. If the signed memo is submitted electronically, the Department is not required to forward the original memo to OFMB.

B. General Procedures (Steps)

In general, the following steps are involved in the preparation, review and processing of Non-Board transfers/amendments:

1. Initiation of Request

The Department or Division making the request prepares the justification memo and generates the on-line document(s). The financial document(s) shall be validated by the authorized staff.

Completed Non-Board memos must be signed by the Department Head or authorized designee, with account numbers and descriptions, BGEX and/or BGRV document numbers, and any other applicable approvals (See Policy Section I.B.)

2. Concurrence Approvals (if applicable)

If the concurrence of another Department or Division is requested by OFMB, an e-mail directly from a Department Head or designee with concurrence approval authority may take the place of the signature.

3. Submission to OFMB

After all applicable concurrence and Administrative approvals are obtained, the request is submitted to OFMB for review and processing.

4. OFMB Review

The Budget Division will review the request and comment as appropriate and either process the document or return to the department for corrections.

5. Approval within OFMB

All requests reviewed and recommended by the Budget Division budget analyst will be submitted to the appropriate approval authority in OFMB for review and approval.

7. Posting to the County's Financial System

All requests approved by OFMB will be posted ("Submitted") to the accounting system by the Budget Division.

C. Justification Requirements

The same level of justification as outlined for Board approved transfers/amendments is required for processing Non-Board transfers/amendments, except that the requesting Department shall submit a memo addressed to OFMB in lieu of the Agenda Item Summary Form.

Incomplete requests will be returned to the requesting Department or Division for further information. This may involve a delay in getting the item processed.

D. Submission Deadlines

Requests will generally be processed within **one week** (i.e., five working days) of receipt. In cases of extreme emergency, Non-Board transfers/amendments will be processed on a priority basis. In these cases, the Department must request rush processing of the transfer/amendments.

E. Appeals

The decision of OFMB may be appealed to the County Administrator.



VERDENIA C. BAKER
COUNTY ADMINISTRATOR

Supersession History:

1. PPM# CW-F-013, issued 7/1/92
2. PPM# CW-F-013, effective 12/6/94
3. PPM# CW-F-013, effective 11/1/01
4. PPM# CW-F-013, effective 4/25/11
5. PPM# CW-F-013, effective 2/9/12
6. PPM# CW-F-013, effective 10/16/15

APPROPRIATION UNIT STRUCTURE

Appropriation Units are assigned to every line item budgeted. Some line items are grouped within the same appropriation unit to allow greater flexibility. The following offers the appropriation structure proposed for various fund types and funds:

For Fund Types, "G", "R", "I", and "T":

A single appropriation unit will be used for the following object code groupings:

- A. Object Category "10" Personal Services
- B. Object Category "30" Operating
- C. Object Category "60" Capital Outlay
- D. Object Category "70" Debt Service
- E. Object Category "80" Grants and Aid
- F. Object Category "90" Non-Operating
- G. Object Category "96" Charge-Offs

Exceptions:

- A. A separate appropriation shall be assigned to Object Code 4802 Employee Recognition.
- B. Hurricane Preparedness shall be linked to the unit 7601 General Government. Individual departments will select units to link each year if a named storm approaches.
- C. County Commission will only assign two appropriation units for each UNIT within Dept 300.
 - 1. One for Object Category "10" Personal Services
 - 2. One for all other object categories.

For Fund Type "D" - Debt Service

All line items within the same fund are assigned the same appropriation unit, with the exception of Reserves and Transfers are in the own appropriation units.

For Fund Type "C" - Capital Outlay

All line items within the same fund, dept., and unit are assigned the same appropriation unit.

For Fund Type "E" - Enterprise

Water Utilities

Fund 4001 (Operating & Maintenance): each object category across all units, within a fund, is assigned a single appropriation unit. (i.e. object category 10 in Fund 4001 will have the same appropriation unit in unit1 as in unit2, unit3, etc.)

Funds 4010, 4011, 4012, 4013, 4015 (Capital): each unit within a fund is assigned a single appropriation unit.

All other 40xx Funds: all line items within the same fund are assigned a single appropriation unit.

Airports

Fund 4100 (Operations): each object category across all units is assigned a single appropriation unit. (i.e. object category 10 will have the same appropriation unit in unit1 as in unit2, unit3, etc.)

Funds 4110, 4111, 4112, 4113, 4114 (Capital): each unit within a fund is assigned a single appropriation unit.

All other 41xx Funds: all line items within the same fund are assigned a single appropriation unit.

THE FOLLOWING LETTERS ARE NOT USED IN APPROPRIATION UNITS:F, I, O, S, Z (ALL 0'S ARE NUMERIC)