

Collin County Budgetary Control Policy

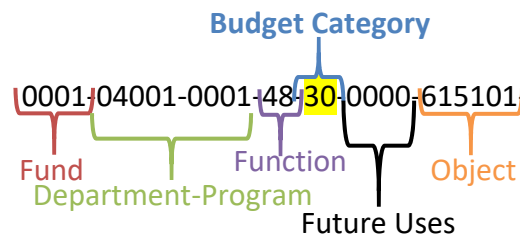
This Budgetary Control Policy is to remain in effect until changed or otherwise repealed by Commissioners Court.

1. Fiscal Year

The County's fiscal year covers a twelve-month period beginning October 1st through September 30th.

2. Line Item Structure

The expenditure line item structure is as follows:



3. Budget Categories

Budgets are used and controlled at the Budget Category level within the Fund and Department-Program. The major budget categories that are used for departments are as follows:

- Salary & Benefits (10) is an expenditure category that includes all personnel related costs such as salaries, social security and medicare, retirement, group health insurance, group life insurance, disability premiums and tuition reimbursement.
- Training & Travel (20) is an expenditure category that includes all expenses related to training and travel made by an employee for county purposes.
- Maintenance & Operations (30) is an expenditure category that includes all payments for commodities and low value assets. Examples of line items in this group include office supplies, small tools, software, and uniforms.
- Capital Outlay (40) is an expenditure category utilized for the acquisition of fixed assets, which have a value of \$5,000 or more and have a useful economic lifetime of more than one year. Capital Outlay (other than capital project funds and grants) are restricted at the Line Item level and the Project Code budget level. Neither the Line Item budget nor the Project budget may be exceeded. Transferring funds between Project Codes requires prior Commissioners Court approval. The agenda item must be entered in E-Agenda first and then the Agenda item number and Commissioners Court date are to be listed in the Reference 1 & 2 section of the Journal Details of the budget amendment in Munis.

Other Budget Categories exist for accounting/budget purposes but are not generally available for departmental use.

Budget Control levels vary by Category or Project Code depending on the characteristics of the line items. The Budget Control level for each Category is structured as follows:

<u>Category</u>	<u>Budget Control Level</u>
Salaries and Benefits (10)	Category Level
Training and Travel (20)	Category Level
Maintenance and Operations (30)	Category Level
Capital Outlay (40)	Line Item Level and Project Level

When Budget Control is provided at the Category Level, transactions are allowed as long as the aggregate total transactions of all line items within the Category does not exceed the aggregate total of all line item budgets within that Category. A budget may be exceeded at the line item level as long as the total budget within the Category is not overrun.

4. Training and Travel Expenditures

Elected Officials and Department Directors are not authorized to exceed Training & Travel funding without prior approval from the Commissioners Court and Court approved budget amendment.

Prior to attending any function that would be classified as a Training & Travel expense, a County employee shall submit an estimate of the entire cost of attendance. The estimate should be submitted and released into workflow using Munis Expense Claims. Failure to submit an estimate of costs prior to attendance may result in loss of personal funds and will require approval by Commissioners Court before a claim for any reimbursement can be paid.

5. Permanent Improvement Fund Budget

Permanent Improvement Fund (fund number 0499) projects are restricted at the Project budget and/or category level. The Permanent Improvement Fund requires an annual budget that must follow the same annual budgeting process and procedures as other funds.

6. Capital Project Fund Budgeting

Capital project funds (fund numbers 4001 through 4599) are projects included in the sale of bonds or tax notes. These funds require a different type of budgetary control because the budget is based on project life and not on a fiscal year. The budgetary control level is at the line item level within each project code.

7. Grant Fund Budgets

Grant funds (fund numbers 2000 through 2999) require different budget control processes and procedures due to their unique nature. Grants often require budgets to be controlled by different fiscal years other than the County's fiscal year. A Project Code is established for each grant budget category, and the budget control is provided at the Project Level. Initial grant budgets and increases to the total grant budget should be reviewed by the Auditor's Office and approved by Commissioners Court; however, shifting budgeted funds between budget categories is allowed with the Auditor's Office approval and a notification to Commissioners Court, so long as it does not increase the overall approved total grant budget.

8. CSCD Budgets

CSCD budgets are on a different fiscal year than the County's fiscal year, and are controlled with different budget categories than the County. The budgets are controlled at a project code level similar to grant funds. Movement between budget categories must follow state rules and guidelines, and require Auditor's Office approval. CSCD budgets do not require Commissioners Court approval or notification.

9. Juvenile Probation Budgets

State funds provided to Juvenile Probation are controlled on a different fiscal year than the County and have different budget categories than the County. The Juvenile Probation budgets are controlled at a project code level similar to grant funds. Movement between budget categories must follow state guidelines, require Auditor's Office, and/or the Collin County Juvenile Board approval. Juvenile Probation budgets do not require Commissioners Court approval or notification.

County funds provided to Juvenile Probation budgets are controlled at the category level. Movement between budget categories requires the approval of the Collin County Juvenile Board, and does not require Commissioners Court approval or notification.

8. Purchases

The Purchasing Agent is not authorized to allow any purchases that exceed budgeted funds without prior approval from the County Judge, Director of Budget and Finance, or Commissioners Court along with a budget amendment. The County Auditor may allow budget overrides if the cause of the budget overrun will be cleared by an eminent accounting transaction, budget amendment, or future grant funding. All Purchasing policies and procedures must be followed once funding is approved.

Any requisition submitted by a department charged against an improper account number will be returned to the department for correction. The Purchasing Agent and/or the County Auditor will not change any account number on a requisition without first consulting with the Elected Official/Department Director concerned.

A purchase requisition shall not be submitted by any department without available funds within the budget category and/or project. Such requisition will remain in created status if funds are not available.

10. Budget Amendments

In accordance with Local Government Code 111.070(c), the Director of Budget and Finance is authorized to amend the budget as needed for amounts under \$5,000. In addition, the Director of Budget and Finance is authorized to amend the budget as need for appropriated line items over \$5,000 if

- a. The amendment is within Capital Project Funds and
 - i. The budget amendment will not increase or decrease the overall project budget, and
 - ii. The budget amendment will not increase or decrease any fund balance; or
- b. The amendment is for the same account number/object within departments under the same Department Head/Elected Official.

The Director of Budget and Finance may require any budget amendment to be approved by Commissioners Court.

All budget amendments will be entered into Munis by the department requesting the amendment with the exception of Grants, Capital Projects, or if otherwise instructed by the Director of Budget and Finance. The amendments will be released into a workflow process for Department approval and Budget Department approval. Workflow will continue to the Auditor's Office for approval and posting in the general ledger. Munis User Guides are provided on mycc and include the procedure for Budget Transfers/Amendments. Relevant supporting backup (i.e. Vendor quotes, memos, emails, etc.) must be attached to the Budget Amendments in Munis as well as an explanation in the notes of why the amendment is necessary. If a Budget Amendment will require Commissioners Court approval, the Agenda item must be entered in E-Agenda first and then the agenda item number and Commissioners Court date are to be listed in the Reference 1 & 2 section of the Journal Details of the Budget Amendment in Munis.

Budget Amendments moving funds to/from the Salary & Benefits Category or to the Travel and Training Category are not allowed without approval by Commissioners Court.

11. Deficit Budget Balance

Any Elected Official/Department Director whose budget category ends in a deficit amount may lose funds in the following fiscal year equal to the deficit amount after evaluation by Commissioners Court.

12. Annual Carryover of Budgeted Funds

Carryforward requests shall be submitted, with justification, to the Director of Budget and Finance in the annual budget packet or no later than August 31st. Carryforward requests are for major projects that will not be completed in the current fiscal year. Items budgeted in recurring line items such as education and conference, dues & subscriptions, office supplies, etc. are not eligible for carryforward.

Each request will be reviewed by the Director of Budget and Finance. Requests for carryover funds that are not encumbered via a purchase order to a specified vendor prior to August 31st shall be subject to rejection upon review.

13. Repair & Replacement of Unbudgeted Items

The Director of Budget and Finance is authorized to purchase capital or non-capital replacement items if such item is broken and funds are available in the capital replacement accounts.

Items that are broken must be reported within 30 days of the breakage utilizing the Repair/Replace Form and emailed to Purchasing and the Budget Department email box. Technology equipment must be reported within 30 of the breakage to the IT Department.

Items deemed necessary for replacement will only be replaced with like items and/or current county standard. Requests for upgrades are only allowed during the annual budget process.

Items that are under warranty will only be considered if the repair/replacement is outside the scope or coverage is denied by the warranty.

Items that were purchased using grant funds must first be checked for grant coverage before they will be considered.

Items are not eligible for repair or replacement if they:

- Have an expiration or life expectancy date
- Are in need of replacement due to normal wear and tear
- Are in need of replacement due to age
- Are consumables and/or can be purchased utilizing a supply account number
- Can be planned for and are not submitted for consideration during the annual budget process
- Previously budgeted in a recurring account number within the requesting department's budget
- Are utilized in calculations to bill to outside entities
- Is repairable at reasonable cost

Items eligible for consideration for repair or replacement are:

- Items that are no longer compatible with other systems in use. These items cannot be end-of-life, have an expiration date or life expectancy date. For example: Items no longer compatible when refreshed computer is delivered.
- Items that have broken after the annual budget process and are not included in the above ineligible list

Any repair or replacement of items that do not meet the criteria stated above may be submitted to Commissioners Court for approval of exemption to this policy.