

Jefferson County, Wisconsin Budget Amendment and Adjustment Policy

Purpose

The purpose of the Budget Amendment and Adjustment Policy is to set forth divisions of responsibility for authorizing changes to the annual budget adopted by the Board of Supervisors in a manner that allows for the appropriate oversight as defined by Wisconsin Statutes combined with the proper responsiveness needed to allow departments to make sound and timely financial decisions.

Definitions

Appropriations –revenues or expenditures approved by the Board of Supervisors.

Budget Adjustment – a transfer of expenditures or revenues of equal amount between line items within a Department’s budget.

Budget Amendment – a supplemental appropriation of budgetary revenues and expenditures.

Budgetary Function – a set of departments that serve a shared programmatic purpose.

Cost Center – a department or other unit within an organization to which costs may be charged for accounting purposes.

Department –a set of programs that serve a shared purpose; or a set of programs within departmental divisions that serve a shared purpose.

Organization Code – a designation within the accounting system that tracks the budgetary activity of a program or cost center.

Policy

The County adopts an annual budget by budgetary function as defined in the State of Wisconsin Department of Revenue County Chart of Accounts. The annual budget is monitored at the cost center (organization code) level. A cost center can be a department or a program within a department. Management can make transfers within a department, or a program within a department, without approval of the Finance Committee or County Board. These changes are referred to herein as budget adjustments.

To supplement the appropriation for a department, the Finance Committee can approve transfers from contingency funds. Transfers may not exceed in aggregate the amount set up in the contingency fund and may not for any one department exceed 10% of the funds originally appropriated for that department. Transfers in excess of 10% must follow the budget amendment process and be approved by the County Board. These changes are referred to herein as budget amendments.

The County is required to publish budget amendments as a class 1 notice within 10 days after the budget amendment is approved.

Proposed amendments to the budget are prepared by the requesting department, reviewed by the County Administrator for approval or denial, and forwarded to the County Board based on the level of adjustment (see below).

County Board approval requires a two-thirds vote of the entire membership (20 votes of the 30 member County Board).

It shall be policy that budget adjustments/amendments require approval at the following levels:

- a) Level 1 adjustments are adjustments of operating appropriations up to \$4,999 from one account to another within the department's budget. Level 1 adjustments may be made at the discretion of the Department Head.
- b) Level 2(a) adjustments are adjustments of operating appropriations \$5,000 and over from one account to another within a department's budget. Level 2(b) adjustments are for substitutions of capital items or adjustment of operating to capital appropriations up to \$24,999 from one account to another within the department's budget. Level 2 (c) adjustments are transfers between departments within a budgetary Function as defined by the Wisconsin Department of Revenue County Chart of Accounts of up to \$24,999. Level 2 (a), (b), and (c) adjustments shall require approval of the County Administrator.
- c) Level 3 amendments are adjustments of operating or capital appropriations needing additional funding from contingency funds that are under 10% of the total funds originally appropriated for an additional department. Level 3 amendments shall require approval of the Finance Committee following review and approval by the County Administrator.
- d) Level 4(a) amendments are for adjustments of operating or capital appropriations needing additional funding from contingency funds that are over 10% of the funds originally appropriated for an individual department. Level 4(b) amendments are for new programs in a department that were not originally budgeted through an increase in expenditures with an offsetting increase in revenue for that program (such as grant funding or donations). Level 4(c) amendments are for substitutions of capital items or adjustment of operating to capital appropriations \$25,000 and over from one account to another within a department's budget. Level 4(d) amendments are for adjustments of operating or capital appropriations needing funding from the general fund balance. Level 4 (a), (b), (c) and (d) amendments shall require approval of the County Administrator, respective Department standing committee and a two-thirds vote of the County Board.

Procedure

- a) Level 1 adjustments shall be made at the discretion of the Department Head to assist with budget monitoring. At this level it is also at the discretion of the Department Head to forward a copy of a Budget Amendment Request form to the Finance Department for monitoring of budgets and assist in the development of future budgets.

- b) Level 2 adjustments shall be requested by the Department Head to the County Administrator for approval or denial. The County Administrator will notify the department of the decision and forward the Budget Amendment Request form to the Finance Department.
- c) Level 3 amendments shall be requested by the Department Head to the County Administrator for approval or denial. The County Administrator will notify the department of the decision and forward the Budget Amendment Request to the Finance Department. If the request is approved by the County Administrator, the Finance Department will add it as an agenda item for review by the Finance Committee. The department requesting the amendment shall have a representative present at the Finance Committee meeting who can answer questions.
- d) Level 4 amendments shall be requested by the Department Head to the County Administrator for approval or denial. The County Administrator will notify the department of the decision and forward the Budget Amendment Request to the Finance Department. If the request is approved by the County Administrator, the Finance Department will add it as an agenda item for review by the Finance Committee. If the request is approved by the Finance Committee, the request will be added as an agenda item for review by the County Board. The department requesting the amendment shall have a representative present at the County Board meeting who can answer questions.

Administration

This policy is for use in guiding financing decisions of the County, and can be interpreted by the County Administrator related to budget amendments and adjustments. It is administered in conjunction with the County's other fiscal policies and may be amended or revised from time to time as determined by the County Board.

Note: All purchases are still subject to the "Jefferson County Purchasing Ordinance".

Adopted May 13, 2014 – Resolution No. 2014-15

Amended, February 13, 2018 – Resolution No. 2018-65