

**ADMINISTRATIVE CODE  
BOARD OF COUNTY COMMISSIONERS**

<b>CATEGORY:</b> Financial/Fiscal/Budget	<b>CODE NUMBER:</b> AC-3-6
<b>TITLE:</b> Budget Amendment, Revenue and Expenditure Authority	<b>ADOPTED:</b> 01/23/85
	<b>AMENDED:</b> 10/14/92; 09/21/94; 07/24/96; 08/09/05
	<b>ORIGINATING DEPARTMENT:</b> County Administration/Budget Services

**PURPOSE/SCOPE:**

The budget the Board adopts at the beginning of the fiscal year is a policy plan. The implementation of that policy plan is the responsibility of the County Manager and the management employees of the Board. The Board recognizes that the details of the budget plan may need to be adjusted during the fiscal year in order to respond to changing conditions. It is the intention of the Board that these guidelines provide the County Manager and the management employees of the Board (1) the maximum authority and flexibility to administer and amend the annual budget that is consistent with Florida law and (2) the accomplishment of the Board's policies as adopted in the budget.

**POLICY/PROCEDURE:**

WHEREAS, the Lee County Board of County Commissioners recognizes that its annual budget appropriation is a plan for revenue and expenditure that may need to be adjusted during the fiscal year in order to keep pace with changing conditions, and the Board wishes to eliminate unnecessary delays or procedures in the process of adjusting the budget; and

WHEREAS, a concise statement of roles, responsibilities, and authority in administering and amending the County's budget that conforms to and clarifies Florida law can be used by the County Manager and management employees, the Clerk to the Board, and the County's auditors to guide them in the performance of their duties;

NOW, THEREFORE, BE IT RESOLVED, that the Board of County Commissioners of Lee County, Florida does hereby establish the following guidelines for administering and amending the County's annual budget:

1. **ROLES AND RESPONSIBILITIES**

The Board of County Commissioners adopts the budget as the annual appropriation of the County. The budget is a plan for revenues and expenditures that is adopted in order to provide specific services and thereby implement policies of the Board.

- A. The County Manager and the management employees of the Board manage the receipt of revenues and the expenditure of funds in order to deliver the services and thereby implement policies of the Board.
- B. Budget Services supervises the preparation of the budget, and acts for the County Manager in administering and amending the budget after its adoption. Budget Services is authorized to develop procedures and forms, and their use is hereby authorized and required.
- C. The Purchasing Division maintains lists of vendors, assists in acquiring all goods and services, and creates encumbrances; the requirements of the Purchasing Manual, adopted separately by the Board, are incorporated in these guidelines by this reference.
- D. Budget Services and the Clerk to Board record, monitor and maintain the revenue and expenditure transactions conducted by the County Manager and the departments in such a manner as to conform with the State's uniform accounting system.  
  
The Clerk to the Board, as custodian of County funds, maintains the bank accounts and manages the investment of County funds, and makes payments of the County funds upon the authorization of the Board, the County Manager, or authorized department personnel, as authorized in these guidelines.
- F. The auditors audit the financial reports and statements of the County and offer their opinion as to fairness of presentation of the financial statements.
- G. Each year Budget Services, in conjunction with an independent consultant, will (1) prepare an indirect cost allocation plan which conforms to generally accepted accounting principles and to federal guidelines for grant reimbursement of administrative costs, and (2) will bill departments for indirect cost charges where funds are available and such charges are appropriate.

2. **LEGAL APPROPRIATION AND MANAGEMENT INFORMATION**

The legal appropriation of the County is by fund as adopted in accordance with Chapter 129, Florida Statutes. Detailed line-item information is prepared by the departments and Budget Services in order to improve the accuracy of budget planning and implementation. Detailed line-item information is not part of the legal appropriation, but it may be required by the County Manager to manage the administration and amendment of the budget.

3. **ADMINISTRATION AND AMENDMENT AUTHORITY**

The County Manager and authorized department personnel may expend funds as appropriated by the Board in the annual budget. The following guidelines for administering and amending the budget apply to activities within any single fund or single subfund, recognizing that the budget of each fund or subfund is independent and self balancing and must be amended in such a manner so that each fund's or subfund's budget remains in balance.

- A. Changes in the adopted total budget of a fund or subfund will be made only with Board approval of a budget amendment resolution.
- B. The following guidelines are to be applied according to a hierarchy, with each level of hierarchy empowered to exercise the authority granted to all levels below it within the restrictions imposed on each of the expenditure object groups in the policy.

<u>Level of Hierarchy</u>	<u>Scope of Authority Within Funds or Subfunds</u>
Board of County Commissioners	Constitutional Officers, & County & Circuit Courts
County Mgr. & Budget Director	All departments under the BOCC
Directors of Departments	Within Depts. (Except between capital projects
Directors of Divisions	and as noted elsewhere in this policy)
Directors of Divisions	Within Divisions (Except between capital projects)

- C. Each Department and Division Director has the authority to transfer budget within his/her operating budget that is within the same fund or subfund. No transfers may be made by departments between capital projects (except as noted under Paragraph F.3. below) or between various funds or subfunds or from Reserve accounts without Board review and approval.
- D. Personnel services expenditures are primarily controlled by the authorization of positions. Establishment of permanent part-time or full-time positions may only be authorized by Board approval.
- E. All budget transfers and amendments are to be processed through Budget Services for review, approval, and implementation. Budget Services and the Clerk's Finance Department will process transfers and amendments to update the adopted budget.
- F. In the categories listed below, the italic headings are expenditure object groups which appear in the budget. Any references to an expenditure object group includes, by inference, all line-items within that group, unless otherwise stated. In the guidelines below, the authority to expend or transfer appropriations includes the authority to amend the budget. In order to minimize delays and increase flexibility, the County Manager and the Budget Director are specifically empowered to authorize expenditures in excess of budgeted line items and to

amend the budget after the date of the expenditures (but before the end of the fiscal year) as long as the “over-expenditure” and subsequent amendment would otherwise have been within the authority granted to them in these guidelines. Department Directors may authorize expenditures within the limits of budgeted line items and may make transfers as authorized elsewhere in this code.

Transfers among expenditures or revenue accounts may be made during the fiscal year by the County Manager or the Budget Director if reallocations within a fund are determined to be needed, provided no transfers will be made between capital projects (except as noted under Paragraph F.3. below or between various funds or subfunds or from Reserves. (However, the County Manager is authorized to transfer from Reserves up to \$25,000). Other restrictions apply as noted in Paragraph F.1. and F.2. below.

1. *Personnel Services - Accounts 501000-502999*

Creation of permanent part-time or full-time positions requires approval of the Board. Action which changes the function or purpose of authorized positions or involve the simultaneous abolition of one position and the creation of another do not require Board approval. Actions in which a full-time position is created from an existing part-time position requires Board approval. Actions to abolish permanent positions authorized in the budget require the Board, County Manager or Budget Director approval. Temporary overhiring of existing positions and labor pool positions may be authorized by Directors, dependent upon budget availability. Departments may not make transfers of funds as it relates to the following Personnel Services object codes: Workers Compensation – 502410, Sick Leave Buy Back – 501260, Performance Pay – 501280.

2. *Operating Expenses - Accounts 503000-505999*

Department Directors may make transfers among any operating expense line items within divisions and programs in their department as long as the transfers remain within the same fund or subfund. Division Directors may make transfers among any operating expense line items within programs in their division as long as the transfers remain within the same fund or subfund. Department and Division Directors may not, however, make transfers as it relates to any operating IGS (Intergovernmental Services) object code or Indirect Cost – 504950.

3. *Capital Outlay - Accounts 506000-506999*

Fund balances carried forward to a new fiscal year in amounts greater than the adopted budget will be transferred upon Board approval to capital construction (6500 series) unless such transfers are prohibited by law, contractual agreement, or administrative requirements. No transfers may be made between “Master” capital projects without Board review and approval with the following capital project exceptions: 204683 – Road

Resurface/Rebuild Program, 206713 – Traffic Signal/Intersection Improvements, 205714 – Master Bridge Project.

4. *Debt Service - Account 507000-507999*  
The County Manager or Budget Services may transfer debt service line items to any other expenditure object group or may make transfers among any debt service line items. All debt service schedules are in each Official Statement of all debt approved and issued by the Board of County Commissioners. These debt service schedules are to act as authorization in lieu of budget for the Clerk's Finance Department to insure the debt principal and interest payments are made timely. Payments are made according to these debt schedules except in those cases where principal has been called early using an extraordinary mandatory redemption feature. If principal is called early, the debt service schedule is revised to show the decrease in both principal and interest owned.
5. *Grants and Aids - Accounts 508000-508999*  
The County Manager or Budget Services may transfer grants and aids line items to any other expenditure object group. The County Manager, Budget Services, or departments may make transfers among any grants and aids line items.
6. *Non-Operating - Accounts 509000-509999*  
Non-operating appropriations are interfund transfers or reserves. Transfers to reserve accounts may be made during the fiscal year by the County Manager or Budget Services without Board approval if allocations to expenditure accounts are determined to be unneeded and will be processed administratively. Transfers from reserves of \$25,000 or below may be authorized by the County Manager; transfers from reserves of more than \$25,000 require approval of the Board. The County Manager or Budget Services may increase or decrease any interfund transfer appropriation by transfers from any other expenditure object group (excluding Reserves, excepting County Manager authorization of up to \$25,000 as noted elsewhere within this policy). Interfund transfers will be processed administratively by Budget Services and the Clerk's Finance Department.
7. *Revenue and Fund Balances*  
To increase or decrease budgeted total fund revenue (to reflect actual revenue collected) and to amend budgeted fund balance (to reflect actual beginning fund balance) requires the approval of the Board. The County Manager or Budget Services may reclassify revenue between revenue codes to reflect a more appropriate classification if it does not change the total budget of a fund. Any amendment which changes the total budget of a fund must be approved by the Board of County Commissioners as required by Chapter 129, Florida Statutes. Fund balances carried forward to a new fiscal year in amounts greater than the adopted budget will be transferred upon Board approval unless such transfers are prohibited by law, or restricted by contractual agreement or administrative requirement.