

LIVINGSTON COUNTY
BUDGET TRANSFER POLICY

LIVINGSTON COUNTY, MICHIGAN

RESOLUTION #2015-01-023

AMENDED: 1.20.15

RESOLUTION #2013-09-282

APPROVED: 9.16.13

PURPOSE AND SCOPE: The purpose of this policy is to define the authority relating to budget transfers in the County's Enterprise Resource Planning (ERP) System and facilitate the reallocation of budgeted funds from one object code to another within the department's budget after the original budget has been approved. This policy applies to all Elected Officials and Department Directors with oversight of one or more County Departments with an operating budget approved by the County Board of Commissioners.

DEFINITIONS:

Budget Transfer Request (BTR) - occurs when budgeted amounts are moved within the same fund/department between allowable object codes (net effect change of zero)

Budget Amendment Request (BAR) – occurs when there is a bottom line change in approved budgeted amounts (increase/decrease).

Interfund Transfer – transfer between one fund and another

Org Code – identifies the general ledger fund and activity code (department)

Object Code – general ledger account line item

Activity Code – County department as defined in the general ledger chart of accounts structure

Authority – segment within the chart of accounts structure which identifies the specific department responsible for the oversight of the Org/Object (ex: Courts, Sheriff, Clerk, etc.)

POLICY:

County Department Directors and Elected Officials are responsible for monitoring their budgets. Responsible budget management should prevent County departments from developing deficit balances. The purpose of this policy is to set parameters to help avoid deficit balances by empowering departments with the authority and the flexibility necessary to maintain positive balances.

Department Directors, Elected Officials, and key department personnel have oversight and are able to view their department's budgets at any time in the ERP system to ensure that the budget is not exceeded for each Fund/Activity. Department personnel will be prevented from processing a transaction in the ERP system against an object code that does not have a sufficient budget balance. A Budget Transfer Request (BTR) will be required to move budgeted funds between allowable object codes within the Fund/Department before the transaction can be completed.

Department Directors, Elected Officials, or their designee, are authorized to transfer budgeted funds, with a net change effect of zero, between allowable object codes within their Org code to prevent deficit

balances and allow for continuity in processing transactions. All object codes with an approved operating budget are allowable for transfer by the department with the exception of the following:

- \$ Payroll object codes (exception is net zero transfers between regular, part-time, and temporary wage object codes as needed)
- \$ Internal Service Fund monthly chargeback object codes
- \$ Transfers out of Contractual Service object codes (including contracts for professional services, attorney fees, dry cleaning, uniforms, inmate medical, and inmate food)
- \$ Transfers out of New Copier object codes
- \$ Capital Equipment object codes (exception is net zero transfers between Capital Object codes)
- \$ Transfer In/Out (Interfund Transfers)

All Budget Transfer Requests (BTR) will be monitored and posted by County Finance.

If funding is not available within the departments total available budget balance a Budget Amendment Request (BAR) will be needed and will require the authorization of the Board of Commissioners via the Budget Amendment Process.

All Interfund transfers will require a Budget Amendment requesting authorization and approval by the Board of Commissioners.

The Courts will be authorized to transfer between Courts authority org codes within a fund provided it results in a net zero effect on the Court authority's bottom line budget. The transfers will be approved by the Court Financial Officer.

All department Budget Amendments will be posted to the general ledger by County Finance after authorization is received by the Board of Commissioners.

ADOPTION OF BUDGET TRANSFER PROCESS:

Based on the foregoing budget transfer policy adopted by the Board of Commissioners, the County Administrator is empowered to adopt and amend as necessary any budget transfer processes necessary to carry out this policy. A copy of the budget transfer processes and any subsequent amendments shall be sent to all Department Heads, Elected Officials and Board of Commissioners and made available on the County Website and LivCommunity sites.

Adoption: This policy is adopted by the Board of Commissioners of the County of Livingston at a meeting held on September 16, 2013.

Effective Date: This policy shall become effective immediately.

RESOLUTION #2015-01-023	AMENDED: JANUARY 20, 2015
RESOLUTION #2013-09-282	APPROVED: SEPTEMBER 16, 2013

RESOLUTION ATTACHED

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RESOLUTION
LIVINGSTON COUNTY

NO: 2015-01-023
DATE: January 20, 2015

RESOLUTION TO REVISE THE BUDGET TRANSFER POLICY – COUNTY ADMINISTRATION / FINANCE / BOARD

- WHEREAS,** the implementation of the County’s Enterprise Resource Planning system resulted in the adoption of several policies and process including the Budget Transfer Policy which was authorized by the Board through resolution 2013-09-282; and
- WHEREAS,** to keep policies current and relevant it is important to monitor them regularly and compare to actual activity that has occurred over the year; and
- WHEREAS,** the new budgetary controls in the ERP system restrict County Departments from processing transactions against object codes that do not have a sufficient available budget; and
- WHEREAS,** a budget transfer is a transfer between allowable line items within a departments approved operating budget that has a net change effect of zero; and
- WHEREAS,** the Budget Transfer Policy approved in 2013 set parameters for department directors and elected official to be able to process budget transfers for most object codes for line items that do not have a sufficient available budget balance so the transaction process can continue on: and
- WHEREAS,** the revisions to the policy clarifies, modifies, and further defines a few of the object code exceptions that were in the original policy; and
- WHEREAS,** continuing to empower Department Directors and Elected Officials with the authority and the flexibility to maintain positive budget balances and maintain continuity of operating processes is essential in responsible budget management.

THEREFORE BE IT RESOLVED that the Livingston County Board of Commissioners authorizes the revisions and hereby adopts the attached Budget Transfer Policy for Livingston County.

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MOVED: Commissioner Green
SECONDED: Commissioner Williams
CARRIED: 8-0-1 Absent; Roll call vote: Ayes: Green, Domas, VanHouten, Parker, Williams, Griffith, Dolan, Lawrence; Nays: None; Absent: Childs