



**DOUGLAS COUNTY
ADMINISTRATIVE POLICIES AND PROCEDURES**

TITLE Elected Official And Department Director Latitude In Expending Approved Budgets	Approval Date 02/07/83
POLICY CUSTODIAN Finance	Revision Date 3/10/15

PURPOSE: To clarify the circumstances and procedures for expenditures and reallocations within departmental budgets.

DEPARTMENT RESPONSIBILITY: Finance

DEPARTMENT(S) AFFECTED: All

POLICY:

The following policy and instructions are applicable to all Elected Officials and Department Directors who administer an approved County budget:

1. Elected Official and Department Director latitude in expending approved budgets is defined by spending categories (Personal Services, Supplies, Purchased Services, Materials, Fixed Charges, and Capital). Elected Officials and Department Directors have latitude in spending approved budget within Supplies, Purchased Services, and Materials, also known as non-fixed operating costs. This latitude does not include Personal Services including salary or vacancy savings, Fixed Charges, or Capital, which must remain within the budget by spending category, nor does it include certain project-specific costs.
 - a. Elected Officials and Department Directors have the authority to fill vacant positions if the change in salary does not exceed a 10% increase over the previous or current incumbent’s salary. Anything in excess of 10%, OR if the position requires reclassification, must receive approval by the Human Resources Director.
 - b. Elected Officials and Department Directors do not have the authority to reallocate excess Personal Services budget to fund salary increases of any kind.

2. It is the responsibility of the Elected Official or Department Director to manage their entire budget to ensure each division, within their authority, is within spending authority at the end of the year. This includes using savings from the non-fixed category to cover shortfalls within personal services, capital expenditures, and fixed costs, if necessary. Budget reallocations may be processed throughout the year to help achieve this objective.

Offices and Departments will receive notification of year-end processing deadlines; this schedule will identify the date Offices and Departments shall have their budget reallocations to Finance to ensure adequate time to review and process the requested budget reallocation before the end of the year.

- a. In some circumstances, it may be advantageous for departments or elected officials to manage their budget at the fund level versus the division level. Any such request will require approval from the County Manager and apply only to the calendar year in which the request is made.
3. Budget reallocations are not required among non-fixed operating costs within a division of the Office or Department.
4. Reallocations from Personal Services, Fixed Charges, or Capital to operating expenses are generally not acceptable reallocations. Any such requests will require a detailed explanation and review and will require County Manager approval.
5. When it becomes necessary to transfer funds the following authorizations shall apply:
 - a. Transferring Funds between Spending Categories within a Business Unit.
 - i. Elected Official or Director, and
 - ii. Finance Director
 - b. Transferring Funds between Business Units, Projects, or Spending Authority less than \$100,000.
 - i. Elected Official or Director, and
 - ii. Finance Director, and
 - iii. County Manager
 - c. Transferring Funds between Business Units, Projects, or Spending Authority greater than \$100,000 – requires approval from the Board at a public meeting.
 - i. Elected Official or Director, and
 - ii. Finance Director, and
 - iii. County Manager, and
 - iv. County Commissioner
 - d. Transferring Funds from Contingency less than \$100,000.
 - i. Elected Official or Director, and
 - ii. Finance Director, and
 - iii. County Manager
 - e. Transferring Funds from Contingency greater than \$100,000 – requires approval from the Board at a public meeting.
 - i. Elected Official or Director, and
 - ii. Finance Director, and
 - iii. County Manager, and
 - iv. County Commissioner
 - f. Budget reallocations necessary to reallocate budget due to reorganizations or to properly reflect appropriate business units or objects accounts that do not alter the intent of the adopted budget require authorization by the Finance Director.

6. Capital budgets are approved by the Board during the adoption of the budget. Deviations from the adopted budget either by acquiring additional items or reallocating approved budget must be authorized by the County Manager if under \$100,000 or the Board if over \$100,000 before the purchase is made. The request shall be accompanied by a memo to the County Manager explaining the reason for the additional item or need to reallocate along with a budget reallocation identifying the source of the additional funds, if necessary.