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100 Policies and Procedures for Transferring Funds
and Increasing Adopted Budgets

BACKGROUND

The State of California County Budget Act, Article 6 – Appropriations and Transfers authorizes amendments to the adopted budget through the budget adjustment process. Revisions enable departments to move or adjust budgeted appropriations or adjust estimated revenues.

100.1 - Transfer Within the Same Budget Unit and the Same Object Account

- a. Any budget transfer within the same object category (e.g., Salaries & Benefits, Services & Supplies, Other Charges, etc.) may be accomplished by the department head, or designee, with the approval of the Auditor-Controller, or designee. The Auditor-Controller’s review will be restricted to whether the account information is correct and whether sufficient funds exist to accomplish the transfer at the time of his/her review.
- b. The transfer must be initiated on the “Request for Budget Transfer/Adjustment” form, which is available from the Auditor-Controller’s Office.

100.2 - Transfer Within the Same Budget Unit from One Object Account to Another

- a. Any budget transfer from one object category to another within the same budget unit may be accomplished by the department head, or designee, with the approval of the County Administrative Officer, or designee, and the Auditor-Controller, or designee.
- b. The request is routed first to the Auditor-Controller’s Office to verify the account information and account balances. After the Auditor-Controller, or designee, signs the “Request for Budget Transfer/Adjustment” form, he/she will forward it to the County Administrative Officer, or designee, for approval.
- c. The County Administrative Office reviews the transfer request for fiscal soundness and priority, and considers whether there may be other alternatives available to the department other than the one proposed. The County Administrative Officer, or designee, will either approve the transfer and return the form to the Auditor-Controller’s Office for execution, or will disapprove the request and return the form to the department.

100.3 - Transfer Between Budget Units

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- a. Any budget transfer from one budget unit to another requires approval of the Board of Supervisors. This includes a transfer from the Contingency Reserve to an operating budget. Refer to the County General Reserve, Contingency and Deferred Maintenance Policy for additional guidance on transfers from Contingency Reserve.
- b. The department may accomplish this by preparing a Board Agenda Item and a “Request for Budget Transfer/Adjustment” form. The Agenda Item and Budget Adjustment Form will be routed to the Auditor-Controller’s Office and the County Administrative Office for review and recommendation prior to submission to the Clerk of the Board for placement on the Board Agenda. A transfer from one budget unit to another requires a majority vote and a transfer from Contingency Reserve requires a four-fifths vote.

100.4 - Procedures for Fixed Assets

- a. For the purposes of County budgeting, a fixed asset is a piece of furniture or equipment with an expected useful lifespan of more than one year and a purchase price of \$5,000 or more.
- b. Establishing a fixed asset account in the amount of \$10,000 or less requires the approval of the County Administrative Officer, or designee. The department would prepare a “Request for Budget Transfer/Adjustment” form and route it to the Auditor-Controller’s Office and the County Administrative Office for review and approval, as specified in Section 100.2 for transfer of appropriations between object accounts. This procedure also applies to a transfer of funds into or out of the fixed assets category that amounts to \$10,000 or less.
- c. Establishing a fixed asset account in an amount in excess of \$10,000 requires the approval of the Board of Supervisors. The department may accomplish this by preparing a Board Agenda Item and a “Request for Budget Transfer/Adjustment” form. The Agenda Item and Budget Adjustment Form will be routed to the Auditor-Controller’s Office and the County Administrative Office for review and recommendation prior to submission to the Clerk of the Board for placement on the Board Agenda. This procedure also applies to a transfer of funds into or out of the fixed assets category in an amount in excess of \$10,000.
- d. A fixed asset cannot be separated into component parts for the purposes of evading the \$5,000 or \$10,000 limits.

100.5 – Adoption of a Budget Increase

- a. A budget adjustment that necessitates an increase in total appropriations and revenue estimates due to an actual or anticipated increase in financing sources for that budget unit requires the approval of the Board of Supervisors with a four-fifths vote.
- b. The department may accomplish this by preparing a Board Agenda Item that includes the account information and amounts for the budget increase being

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requested. The change in revenues should balance to the requested increase in appropriations. The Agenda Item will be routed to the Auditor-Controller's Office and the County Administrative Office for review and recommendation prior to submission to the Clerk of the Board for placement on the Board Agenda.

100.6 - Transfer Between Funds

- a. Any transfer from one fund to another fund requires approval of the Board of Supervisors with a four-fifths vote. This type of transfer requires a budget transfer of appropriations into the appropriate interfund transfer account for the Transfer Out fund and a supplemental budget adjustment in the Transfer In fund. Additionally a journal entry transferring the funds must also be made to actually move the funds.
- b. The department may accomplish this by preparing a Board Agenda Item that includes a "Request for Budget Transfer/Adjustment" form and the account information and amounts for the supplemental budget being requested. The Agenda Item and Budget Adjustment Form will be routed to the Auditor-Controller's Office and the County Administrative Office for review and recommendation prior to submission to the Clerk of the Board for placement on the Board Agenda. Additionally after the agenda item is approved a journal entry will need to be prepared by the department and transmitted to the Auditor-Controller's Office to move the funds between the funds.