



COUNTY OF HUMBOLDT

For the meeting of: 10/17/2023

File #: 23-1344

To: Board of Supervisors

From: County Administrative Office

Agenda Section: Consent

Vote Requirement: 4/5th

SUBJECT:

Approve Supplemental Budget for County Administrative Office - Purchasing Division in the Amount of \$45,000 for Fiscal Year 2022-23 (4/5th Vote)

RECOMMENDATION(S):

That the Board of Supervisors:

1. Approve the attached supplemental budget in the amount of \$45,000 for the County Administrative Office (CAO) - Purchasing Division for Fiscal Year (FY) 2022-23 (budget unit 3555-118).

SOURCE OF FUNDING:

Purchasing Internal Services Fund (3555)

DISCUSSION:

The Purchasing Division is funded primarily by charging other county departments for services, these charges are known as internal service fund (ISF) charges.

Central service charges' uses a methodology to create charges that internal services departments are reimbursed for and charges are approved by the State Controller in the county's Cost Allocation Plan (CAP). Central service charges are applied 2 years in arrears. As a result of fiscal years 2020-21 and 2021-22 remaining unreconciled, central services charges for the annual CAP were unavailable at the time the FY 2022-23 proposed budgets were submitted for your Board's approval, and departments used estimates in their ISF charges based on the most recent year's approved CAP. The CAP charges have been approved and the FY 2022-23 charges for CAO- Purchasing Internal Service Fund (3555) were estimated short of actual charges, leaving the Purchasing Division in need of funding to balance its budget.

The requested action will authorize the Purchasing Division to use fund balance for the needed funding. Purchasing will update its charges at the next possible opportunity to restore funding to the

Purchasing Internal Service Fund.

FINANCIAL IMPACT:

| Expenditures (Fund, Budget Unit) | FY22-23 |
|--|------------------------|
| Additional Appropriation Requested | \$45,000 |
| Total Expenditures | \$45,000 |
| Funding Sources (Fund, Budget Unit) | FY22-23 Adopted |
| Fees/Other | \$45,000 |
| Total Funding Sources | \$45,000 |

**Projected amounts are estimates and are subject to change.*

Narrative Explanation of Financial Impact:

Total revenues as of June 30, 2023, for the CAO-Purchasing Division budget unit, 3555-115, was \$437,616. While total expenses were \$480,262, leaving \$42,646 in additional funding needed. This request is to transfer \$45,000 from the Purchasing Internal Service Fund (3555) to cover this difference.

STAFFING IMPACT:

Narrative Explanation of Staffing Impact:

None.

STRATEGIC FRAMEWORK:

This action supports the following areas of your Board's Strategic Framework.

Core Roles: Provide for and maintain infrastructure

New Initiatives: Manage our resources to ensure sustainability of services

Strategic Plan: N/A

OTHER AGENCY INVOLVEMENT:

None

ALTERNATIVES TO STAFF RECOMMENDATIONS:

The Board could choose not to approve the supplemental budget. This option is not recommended because the Purchasing Budget Unit would continue to be over budget for FY 2022-23.

ATTACHMENTS:

Supplemental Budget