



COUNTY OF HUMBOLDT

For the meeting of: 8/8/2023

File #: 23-1117

To: Board of Supervisors

From: Auditor-Controller

Agenda Section: Consent

Vote Requirement: 4/5th

SUBJECT:

Year-End Clearing Appropriation Transfer and Supplemental Budgets for Fiscal Year (FY) 2021-22
(4/5 Vote Required)

RECOMMENDATION(S):

That the Board of Supervisors:

1. Approve the attached appropriation transfer and supplemental budgets to cover overdrafts in the General Fund and other funds for FY 2021-22 (4/5 Vote Required).

SOURCE OF FUNDING:

General Fund, Insurance ISF and Aviation

DISCUSSION:

At the end of each fiscal year past practice has been that the Auditor-Controller prepared one master payroll clearing transfer in-lieu of appropriation transfers normally prepared by individual departments. The purpose of this transfer was to provide funding for payroll line-item deficiencies for General Fund departments. The deficiencies are normally caused by underestimates of funding requirements when the original budget is adopted, new programs or mid-year salary adjustments, or the retirement of long-time employees who receive accumulated benefit payments.

The closing of FY 2021-22 is happening much later than normal and for that reason the Auditor-Controller is preparing a master year-end clearing transfer to cover all General Fund, Insurance Internal Service Funds (ISF) and Aviation budgets that exceeded overall expenditure appropriations, not just payroll accounts. This action is required to comply with the State County Budget Act. Deficiencies are being covered within or between budget units or with a supplemental budget if additional revenues were available.

Due to changes in staff and accounting practices the budgets submitted for the Workers Comp, Liability and Purchased Insurance ISFs in FY 2021-22 did not include the revenue from charges to

County departments and the associated insurance costs. The requested supplemental budget is needed to adjust the budgets to match actual revenues and expenditures.

FINANCIAL IMPACT:

The attached budget adjustments cover expenditures that have already occurred. There is no additional financial impact.

STAFFING IMPACT:

There is no staffing impact.

STRATEGIC FRAMEWORK:

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

Core Roles: N/A

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 elect to have each department bring an item forward to cover overages. This is not recommended for this fiscal year because of the need to expedite closing and because expenditures cannot exceed appropriations in a budget unit.

ATTACHMENTS:

Year-End Clearing Appropriation Transfer

Year-End Supplemental Budgets

PREVIOUS ACTION/REFERRAL:

Board Order No.: NA

Meeting of: NA

File No.: NA