

## Countywide Policy on Interim Budget Adjustments

### Purpose --

The purpose of this policy is to establish procedures to accommodate operational and technical adjustments to adopted budgets. The intent is to provide a process to receive, evaluate, and either approve or deny interim budget adjustment requests. This policy is applicable to all interim budget adjustments for agencies under the control of the Mayor, the other Elected Officials, and the Council.

### Definitions --

**Appropriation** - an allocation of money for an organization for a specific purpose made by the Council.

**Capital Project** - means construction of a new facility, expansion or maintenance of an existing facility, or acquisition of real estate.

**Capital Project Budget** - all planned costs associated with construction of a facility including fees for architects, project managers, equipment, land, and all other ancillary costs associated with completion of the project which are included in the adopted budget.

**Emergency** - circumstances that require immediate remedial action by the Mayor.

**Expenditure** - a payment or encumbrance for goods or services in compliance with the Uniform Fiscal Procedures Act.

**Final Budget** - means the budget finally adopted by the Council pursuant to its legislative authority.

**Organization** - means a specifically recognized County budget entity.

**Program** - a separately identifiable and managerially discrete service or function within a total organization budget.

**Program Budget** - refers to budgets that are formulated by programs within recognized budget organizations.

**Proposed Budget** - means the tentative budget, together with the mayor's recommended adjustments and revenue comments presented to the Council pursuant to the Mayor's executive authority.

**Technical Adjustment** - adjustments made for the purpose of correcting errors or omissions in the adopted budget, and other technical updates prepared by the Auditor's Office.

**Tentative Budget** - means the budget prepared by the Auditor, including projected revenues, pursuant to the budget officer's statutory authority, and submitted to the mayor for further executive action and preparation of a proposed budget.

## **Procedures --**

The following procedures center around the need to make periodic adjustments outside the regularly scheduled Council budget opening sessions and to fully disclose the cumulative and annualized effect of those adjustments currently and in the future. The “Request for Interim Budget Adjustment” form attached, must be completed for all budget adjustment requests.

### **Role of Council, Mayor, Auditor, District Attorney, and agency submitting request:**

The responsibility of the Council is to review requests for interim budget adjustments submitted by the Mayor and either approve or deny the request. For approved requests, the Council is responsible for ratifying the adjustment at the next scheduled Council budget opening.

The responsibility of the Mayor is to review each request for an interim budget adjustment forwarded by the Auditor and make a recommendation for either approval or denial of the request. The Mayor shall then forward the request and recommendation to the Council for their consideration.

The responsibility of the District Attorney is to receive and respond to requests for legal advice requested by the Auditor, Mayor, or Council concerning interim budget adjustment requests.

The responsibility of the Auditor is to receive requests for interim budget adjustments and review requests and supporting documentation for compliance with this policy. The Auditor will perform an expeditious review of the request within five working days from the time that all required documentation is provided and assist requesting agencies, as necessary, with meeting the requirements of this policy. The Auditor will keep the Mayor and other elected officials informed on the status of the request. In addition, the Auditor will track the cumulative cost of prior approved budget adjustments added to the cost of the proposed budget adjustment and report this information to the Mayor and Council and forward all requests to the Mayor.

The responsibility of the agency submitting the request is to submit interim budget adjustment requests in compliance with this policy, including required supporting documentation.

## **1.0 Technical adjustments to correct errors and omissions in the final published interim budget documents**

- 1.1 These technical adjustments include, but are not limited to, errors or omissions that are identified after the final budget documents are adopted. These include clarification of Council intent with respect to the final published budget documents.
- 1.2 A “Request for Interim Budget Adjustments” form (the Request) will be completed by the requesting agency and submitted to the Auditor. The request must be signed by the elected official or his designee. For agencies under the Mayor’s control, the request will not be submitted to the Auditor until it is initially reviewed and approved by the Mayor. Corrections of errors and omissions shall be identified on the form by the agencies with adequate justification and explanation. Supporting

documentation (including applicable budget workshop minutes or financial schedules) must be attached to the form. The burden of proof will be on the requesting agency to clearly demonstrate that an error or omission occurred in the published adopted budget document.

- 1.3 The Auditor will review the request and all accompanying documentation and forward it to the Mayor with any findings. If the request pertains to a possible error, omission, or other technical adjustment, the Auditor may make a recommendation for either denial of the request or favorable consideration. The Mayor will review the request and the Auditor's findings and recommendation.
- 1.4 For requests submitted by elected officials, the Mayor will forward the request and the Auditor's findings and recommendations to the Council and may also make a recommendation for either denial or approval of the request. For requests submitted by agencies under the Mayor's control, the requests and the Auditor's findings and recommendation will be forwarded to the Council for their review and consideration once the request is reviewed and approved by the Mayor.
- 1.5 The Council will review each interim budget adjustment request, the Auditor's findings and recommendation, and the Mayor's recommendation, and either approve or deny the request. ***Approval of an interim budget adjustment request by the Council constitutes authority to expend funds.***
- 1.6 The Mayor may veto Council approved interim budget adjustments and the Council may override the Mayor's veto in accordance with applicable County ordinances.
- 1.7 The tentative and proposed budgets for the next scheduled Council budget opening session shall include a schedule of all previously approved interim budget adjustments. All approved interim budget adjustments shall be included in the Council's final budget, unless the Council removes an item (approved earlier as an interim budget adjustment) by individual vote.

## **2.0 "New revenue" and respective expenditure appropriation requirements**

- 2.1 Organizations may find, as they proceed through the year, that new revenue becomes available from grants, contracts, endowments, or other sources beyond that included in the adopted budget. As these revenues become available, any new related expenditures must also be appropriated before funds may be expended.
- 2.2 A Request form will be completed by the requesting agency and submitted to the Auditor. The request must be signed by the elected official or his designee. For agencies under the Mayor's control, the request will not be submitted to the Auditor until it is initially reviewed and approved by the Mayor. A detailed written explanation of the new or expanded program shall be attached to the form. The new revenue and required appropriations must be identified on the form by the agency.

- 2.2.1 For grants, annual “match” requirements and all ancillary costs (each year for the duration of the grant) which the County will incur if the grant is accepted shall be fully disclosed either on the form or on an attached schedule. Match requirements and ancillary cost information shall be presented in a format so that the projected financial impact is clearly set forth for each year for the duration of the grant.
- 2.2.2 If there is an expectation or requirement that the County will continue to fund the new program after the grant is phased out, this information shall also be fully disclosed.
- 2.3 The Auditor will review the request and all accompanying documentation and forward any findings to the Mayor. The purpose of the Auditor’s review is to determine if the request complies with the policy and that any new revenue meets the Auditor’s standard for revenue projection as that standard is applied in preparing the “Tentative Budget”.
- 2.4 The Mayor will review the request and the Auditor’s findings. For requests submitted by elected officials, the Mayor will forward the request and the Auditor’s findings to the Council and may make a recommendation for either approval or denial of the request.
- 2.5 For requests submitted by agencies under the Mayor’s control, the requests and the Auditor’s findings will be forwarded to the Council for their review and consideration only if the request is approved by the Mayor.
- 2.6 The Council will review each interim budget adjustment request, the Auditor’s findings and the Mayor’s recommendation, and either approve or deny the request. *Approval of an interim budget adjustment request by the Council constitutes authority to expend funds.*
- 2.7 The Mayor may veto Council approved interim budget adjustments and the Council may override the Mayor’s veto in accordance with applicable County ordinances.
- 2.8 The tentative and proposed budgets for the next scheduled Council budget opening session shall include a schedule of all previously approved interim budget adjustments. All approved interim budget adjustments shall be included in the Council’s final budget, unless the Council removes an item (approved earlier as an interim budget adjustment) by individual vote.

### **3.0 Budget adjustments for declared emergencies**

- 3.1 County organizations could encounter emergencies during the year which may require immediate action. The procedures in this section are applicable only if an

emergency declaration is invoked by the Mayor or designee. A declared emergency shall not exceed 30 days in duration unless an extension is approved by the Council.

- 3.2 Emergencies shall be referred to the Mayor for immediate resolution. If an emergency is declared, the Mayor will invoke emergency procedures, inform the Council and the Auditor, and resolve the problem.
- 3.3 Upon resolution, the organization(s) will prepare a Request and submit it to the Auditor. The form will include a detailed description of the emergency, the funds expended to respond to the emergency, and additional funds, if any, anticipated to be expended.
- 3.4 The Auditor will review the request and all accompanying documentation and forward the request and any findings to the Mayor. The Mayor will review the request and the Auditor's findings. The Mayor will forward the request and the Auditor's findings to the Council and may make a recommendation for either denial or approval of all or part of the request.
- 3.5 ***Declaration of an emergency by the Mayor or designee constitutes authority to expend necessary funds to appropriately respond to the emergency.*** The Council will be responsible for approving necessary interim budget adjustments and, if necessary, adjusting tax rates.
- 3.6 The tentative and proposed budgets for the next scheduled Council budget opening session shall include a schedule of all previously approved interim budget adjustments. All approved interim budget adjustments shall be included in the Council's final budget, unless the Council removes an item (approved earlier as an interim budget adjustment) by individual vote.

#### **4.0 Budget adjustments for unforeseen expenditure requirements and exigencies**

- 4.1 Organizations may encounter unforeseen expenditure requirements during the year which may require immediate action.
- 4.2 It is the general expectation of the Mayor and Council that unforeseen expenditures be absorbed within existing budgets. However, if unforeseen expenditure requirements cannot reasonably be absorbed into an existing budget without adversely impacting mission-critical services, the agency will submit a Request to the Auditor explaining how the unforeseen expenditures impairs their service levels. The request must be signed by the elected official or his designee. For agencies under the Mayor's control, the request will not be submitted to the Auditor until it is initially reviewed and approved by the Mayor.
- 4.3 The Auditor will review the request and all accompanying documentation and forward the request and any findings to the Mayor. The Mayor will review the request and the Auditor's findings. For requests submitted by elected officials, the

Mayor will forward to the Council the request and the Auditor's findings and may make a recommendation for either denial or approval of the request.

- 4.4 For requests submitted by agencies under the Mayor's control, the requests and the Auditor's findings will be forwarded to the Council for their review and consideration, only if the request is approved by the Mayor.
- 4.5 The Council will review each interim budget adjustment request, the Auditor's findings and the Mayor's recommendation, and either approve or deny the request. *Approval of an interim budget adjustment request by the Council constitutes authority to expend funds.*
- 4.6 The Mayor may veto Council approved interim budget adjustments and the Council may override the Mayor's veto in accordance with applicable County ordinances.
- 4.7 The tentative and proposed budgets for the next scheduled Council budget opening session shall include a schedule of all previously approved interim budget adjustments. All approved interim budget adjustments shall be included in the Council's final budget, unless the Council removes an item (approved earlier as an interim budget adjustment) by individual vote.

## **5.0 Adjustments to existing capital project budgets**

- 5.1 Capital construction projects inherently require adjustments to budgeted costs. Each approved project should generally incorporate a contingency provision. Projects funded from the general fund and municipal services fund have an additional contingency provision included within each fund.
  - 5.1.1 To complete projects within the original scope, adjustments may be necessary and should be covered with available contingencies. If a project requires additional funding beyond the original project budget and available contingency, Council approval is necessary prior to expending additional funds. Furthermore, all projects approved by the Council must be completed within their original scope and within the total amount appropriated by fund. If the Mayor subsequently determines a previously approved project is not feasible, the Council shall be notified. If the Council concurs with the Mayor's determination that a previously approved project is no longer feasible, then this project will be cancelled.
  - 5.1.2 These adjustments shall be forwarded on the Request form, by the agency administrator, to the Facilities Management Director. The request must be signed by the elected official (or designee). The Facilities Management Director shall review the request and may convene the Capital Construction Committee for assistance in completing this review. If it appears the proposed change could constitute a change of scope, then the Facilities Management Director shall consult with the District Attorney's Office on

whether the proposed change does constitute a change of scope. If the District Attorney's Office advises that the proposed adjustment is not a scope change, then the Facilities Management Director shall forward the interim budget adjustment request together with all supporting documentation and a brief summary of the District Attorney's advice regarding potential change of scope to the Auditor. The Facilities Management Director shall also make a recommendation on whether the request should be approved. For requests submitted by agencies under the Mayor's control, the requests and the Auditor's findings will be forwarded to the Council for their review and consideration only if the request is approved by the Mayor.

- 5.2 If the District Attorney's Office advises that the scope of the project has changed, the requesting agency shall consult with the District Attorney's Office for legal advice on whether the project should be re-bid in accordance with the purchasing ordinance. The requesting agency shall submit to the Facilities Management Director an amended operating cost projection which will include the following:
  - 5.2.1 number of full time equivalent employees
  - 5.2.2 salary and benefit costs
  - 5.2.3 operating and maintenance costs
- 5.3 This information shall include the full annualized cost of operating the facility. Cost projections will need to be prepared and submitted for the first five years of operation.
- 5.4 The Auditor will review the request and all accompanying documentation and forward any findings to the Mayor. The Mayor will review the request and the Auditor's findings. For requests submitted by elected officials, the Mayor will forward to the Council the request and the Auditor's findings and may make a recommendation for either denial or approval of the request.
- 5.5 The Council will review each interim budget adjustment request, the Auditor's findings and the Mayor's recommendation, and either approve or deny the request. ***Approval of an interim budget adjustment request by the Council constitutes authority to expend funds.***
- 5.6 The Mayor may veto Council approved interim budget adjustments and the Council may override the Mayor's veto in accordance with applicable County ordinances.
- 5.7 The tentative and proposed budgets for the next scheduled Council budget opening session shall include a schedule of all previously approved interim budget adjustments. All approved interim budget adjustments shall be included in the Council's final budget, unless the Council removes an item (approved earlier as an interim budget adjustment) by individual vote.

## 6.0 New capital project requests

- 6.1 It is possible that new capital projects may be proposed between budget sessions. Any new projects will be approved by the Mayor and require approval by the Salt Lake County Council.
- 6.2 It is the expectation of the Mayor and Council that new capital projects should only be considered during scheduled budget opening sessions. However, if a new capital project is proposed at a time other than the budget opening session, a Request form shall be submitted to the Facilities Management Director. The Facilities Management Director shall convene the Capital Construction Committee which shall prioritize and rank the requested project with those already included in the final budget. The Facilities Management Director and Committee shall prepare a recommendation on the proposed project and forward it along with the interim budget adjustment request and all supporting documentation to the Auditor.
- 6.3 The requesting agency will attach a written description of the project and the need for it. This explanation shall also include the reasons why the project must be considered prior to the next scheduled budget opening session.
- 6.4 The requesting agency shall also submit to the Auditor an operating cost projection for the proposed project which will include the following:
  - 6.4.1 number of full time equivalent employees
  - 6.4.2 salary and benefit costs
  - 6.4.3 operating and maintenance costs
- 6.5 This information shall include the full annualized cost of operating the facility. Cost projections shall be prepared and submitted for the first five years of operation.
- 6.6 The Auditor will review the request and all accompanying documentation and forward any findings to the Mayor. The Mayor will review the request and the Auditor's findings. For requests submitted by elected officials, the Mayor will forward to the Council the request and the Auditor's findings and may make a recommendation for either denial or approval of the request.
- 6.7 For requests submitted by agencies under the Mayor's control, the requests and the Auditor's findings will be forwarded to the Council for their review and consideration only if the request is approved by the Mayor.
- 6.8 The Council will review each interim budget adjustment request, the Auditor's findings and the Mayor's recommendation, and either approve or deny the request. ***Approval of an interim budget adjustment request by the Council constitutes authority to expend funds.***
- 6.9 The Mayor may veto Council approved interim budget adjustments and the Council may override the Mayor's veto in accordance with applicable County ordinances.

- 6.10 The tentative and proposed budgets for the next scheduled Council budget opening session shall include a schedule of all previously approved interim budget adjustments. All approved interim budget adjustments shall be included in the Council's final budget, unless the Council removes an item (approved earlier as an interim budget adjustment) by individual vote.

## **7.0 New "Program" budget adjustments**

- 7.1 Upon implementation of program budgeting, Organization budgets will be based on Council approved programs. In the event, an organization seeks to add a new program or delete a Council approved program, then the following procedures will apply.
- 7.2 To provide organizations with authority and appropriate flexibility to manage Council approved programs, these adjustments should be accommodated at the organization level as long as the sum of budget appropriations is within the total adopted organization budget.
- 7.3 Until budgets are formally adopted by program by the Council, organizations can adjust existing Council approved programs within their level of funding provided that such adjustments do not exceed the adopted budget and provided that such adjustments comply with any legislative intent expressed by the Council in adoption of the organization budget. However, new programs may not be added without Council approval.
- 7.4 Organizations will provide the Auditor, Mayor and the Council with adequate support for these new program budget adjustments. The organization will provide the Auditor, Mayor, and Council with adequate written program/function justification through the Request form with verification of the new program's impact on the current and subsequent four budget years. The Council will provide written approval to proceed. Until budgets are formally adopted by program, organizations will provide existing program adjustment information to the Auditor, Mayor, and Council for informational purposes only.
- 7.5 In the event that any proposed program budget adjustment exceeds the total adopted organization budget, a Request form will be completed and submitted to the Auditor. The request must be signed by the elected official or his designee. For agencies under the Mayor's control, the request will not be submitted to the Auditor until it is initially reviewed and approved by the Mayor. The proposed adjustment(s) shall be identified by the agency and explained in writing. If additional funds, associated with the proposed adjustment, are available; the source and amount shall be disclosed. The full annualized cost of the new program shall be disclosed.
- 7.6 The Auditor will review the request and all accompanying documentation and forward the request and any findings to the Mayor. The Mayor will review the request and the Auditor's findings. For requests submitted by elected officials, the

Mayor will forward to the Council the request and the Auditor's findings and may make a recommendation for either denial or approval of the request.

- 7.7 For requests submitted by agencies under the Mayor's control, the requests and the Auditor's findings will be forwarded to the Council for their review and consideration only if the request is approved by the Mayor.
- 7.8 The Council will review each interim budget adjustment request, the Auditor's findings and the Mayor's recommendation, and either approve or deny the request. *Approval of an interim budget adjustment request by the Council constitutes authority to expend funds.*
- 7.9 The Mayor may veto Council approved interim budget adjustments and the Council may override the Mayor's veto in accordance with applicable County ordinances.
- 7.10 The tentative and proposed budgets for the next scheduled Council budget opening session shall include a schedule of all previously approved interim budget adjustments. All approved interim budget adjustments shall be included in the Council's final budget, unless the Council removes an item (approved earlier as an interim budget adjustment) by individual vote.

## **8.0 Appropriation Unit Adjustments**

- 8.1 Organizations may encounter unforeseen expenditure requirements during the year which may require shifting of funds from one appropriation unit to another within the organization's adopted budget.
- 8.2 For those adjustments greater than 2% of the appropriation unit or \$5,000, whichever is the lesser amount, the agency will submit a letter to the Auditor requesting an appropriation unit adjustment. The letter shall also include the reasons an appropriation adjustment is necessary. The request must be signed by the elected official or his designee. For agencies under the Mayor's control, the request will not be submitted to the Auditor until it is initially reviewed and approved by the Mayor.
- 8.3 The Auditor will review the request and all accompanying documentation and forward the request and any findings to the Mayor. The Mayor will review the request and the Auditor's findings. For requests submitted by elected officials, the Mayor will forward to the Council the request and the Auditor's findings and may make a recommendation for either denial or approval of the request.
- 8.4 The Council will review each interim budget adjustment request, the Auditor's findings, and the Mayor's recommendation, and either approve or deny the request.

APPROVED and PASSED this 4 day of December, 2001.

SALT LAKE COUNTY COUNCIL

---

Marvin Hendrickson, Chair

ATTEST:

---

Sherrie Swensen, County Clerk

APPROVED AS TO FORM:

---

District Attorney's Office      Date

**REQUEST FOR INTERIM BUDGET ADJUSTMENT**

**Date of request:** \_\_\_\_\_

**Requesting Organization:** \_\_\_\_\_

**Amount of Requested Budget Adjustment:** \_\_\_\_\_

**Description of Adjustment:** \_\_\_\_\_

**Justification:** \_\_\_\_\_

\_\_\_\_\_

**Matching Funds:** \_\_\_\_\_

**Expense Appropriation Account Number:** \_\_\_\_\_

**Revenue Projection Account Number:** \_\_\_\_\_

**Current Year Impact of Adjustment:**

\_\_\_\_\_

**Future Years Impact of Adjustment:**

\_\_\_\_\_

**Accommodations if this adjustment is approved, but not ratified during a future budget re-opening session:**

\_\_\_\_\_

**Comments:** \_\_\_\_\_

Approvals:  
Elected Official or  
Department Director \_\_\_\_\_  
Auditor Review \_\_\_\_\_

Date:  
\_\_\_\_\_  
\_\_\_\_\_

Mayor Recommendation - Approve      Deny      \_\_\_\_\_

Council Action -      Approve      Deny      \_\_\_\_\_