

Requirements for Board Reports/Orders Requesting Financial/Budgetary Transactions

Board Reports requesting financial transactions by the Auditor-Controller (A/C), pursuant to State Government Code, require a Board Order which is the legal document produced by the Clerk of the Board from the noticed and approved recommendations. Financial Transactions include, increase/decrease to budgeted revenue or appropriations, transferring funds between appropriation units, receipt of unanticipated revenue, etc. The Board Order must accurately reflect the requested transactions. Please note that the Board Report is not a legal document and will not be used to determine or clarify the requested transaction or substitute for the Board Order.

The Board Order must identify or demonstrate the following:

- Fund(s) and Appropriation Unit(s) impacted.
- All transactions are in balance, i.e. increase in appropriation is supported by a corresponding increase in estimated revenue. If an appropriation increase is funded by fund balance or transfer, then fund balance or transfer is the financing source and must be stated in the Board Order.
- Increases in revenues and appropriations should be written as “increases in estimated revenue and appropriations.”

Note: In the Legistar, generally the Recommendation section of the Board Report becomes the Board Order; therefore, the Recommendation section must contain all of the necessary information for the Board Order.

For Example:

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Authorize the Auditor-Controller to amend the FY 20XX-XX Road adopted budget, Fund 002, Appropriation Unit RMA012, to increase appropriation by \$500,000, financed by an operating transfer in of \$500,000 from PAR001; (4/5th vote required).
- b. Authorize the Auditor-Controller to transfer \$500,000 for the FY 20XX-20XX from Parks, Fund 001, Appropriation Unit PAR001, to Roads, Fund 002, Appropriation Unit RMA012, where Parks has sufficient appropriations available in their adopted budget to cover the transfer; (4/5th vote required).

Once the Board has acted, the Board Order provides the necessary authority and direction to complete the approved action. Without authority and direction, the A/C Office cannot approve budget adjustments and transfers.

Budget adjustments submitted to the A/C's Office must adhere to the following:

- When a Board Order increases both estimated revenue and appropriations, both the BGRV & BGEX must be submitted simultaneously.
- If the Board Order involves multiple departments, one department should coordinate the submission of all the documents together. If CAO department is involved, the CAO Budget & Analysis will be the lead coordinating department, unless specified otherwise by CAO's office. Budget documents will not be approved until all relevant transactions are submitted.
- A/C Office will not approve partial implementation of Board Orders. For example, if the Board Order approves increasing appropriations by \$500,000, A/C will not approve a BGEX to increase the appropriations by only \$250,000.
- If Board Order uses the language 'not to exceed X amount', then the BGRV/BGEX document must be for the full amount. A/C will not approve documents for less.
- A signed copy of the Board Order and Report must be attached as backup to the Header Page.
- Budget modifications should be submitted within 30 days of adoption.

Contingency Appropriation Use Directions:

1. When the Board Order approves transferring General Fund - CAO's Contingency budget to another General Fund appropriation budget, then the following department shall:

CAO's Office (Budget & Analysis)

- Prepare a BGEX to decrease the Contingency budget (7811) and increase the receiving department's appropriation on the same document, unless specified otherwise by CAO's office.

2. When the Board Order approves transferring General Fund - CAO's Contingency budget to a different fund's appropriation budget, then the following departments shall:

Receiving Department

- Prepare a BGRV to increase the receiving Funds' Operating Transfers In (5940) budget.
- Prepare a BGEX to increase the receiving Funds appropriations.

CAO's Office

- Prepare an IET to transfer funds from the CAO's Operating Transfers Out (7614) account to the receiving Fund/Department's Transfer In account.

- In this case, you do not decrease the CAO's budget because an actual transfer of monies occurs.