



## County of Santa Clara

Policy Name: Budget Modifications and Transfers

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**Policy Type:** Administrative

**Category:** Fiscal and Budget    **Sub-Category:** Budget Practices

**Policy Name:** Budget Modifications and Transfers

**Policy Owner:** County Executive

### **Policy Purpose**

County departments may need to transfer funds within their Budget Units or modify their current budgets from time to time throughout the fiscal year. The purpose of this policy is to ensure that departments needing to modify their budgets follow a uniform process and to obtain the proper approvals.

### **Policy Summary**

There are two main types of budget modifications that departments typically seek: Administrative Transfers (B-01) and Board-Approved Modifications (F-85).

#### *Administrative Transfers (B-01)*

Administrative Transfers are transfers of funds within the same Budget Unit and Fund. If the transfer of funds is between Objects, the limit is \$100,000 per Budget Unit per transfer. However, transfers from Object 2 to Object 4 can exceed \$100,000 in situations where it has been determined that the planned department expense involves a fixed asset (Object 4) and the existing budget is in Services and Supplies (Object 2). Additionally, the \$100,000 limit does not apply to transfers within the same Object.

Departments seeking Administrative Transfers only need to obtain approval from the Office of Budget and Analysis (OBA). All Administrative Transfers



must have a net zero impact. Even though the request may fall within the guidelines of an administrative transfer, OBA may request that the department obtain Board approval.

If the department has questions regarding whether the administrative transfer they are seeking meets the criteria for using a B-01, contact your OBA analyst prior to entering in the Public Budgeting Formulation (PBF) system.

### Board-Approved Modifications (F-85)

The Board of Supervisors must approve all budget modifications that cannot be done through Administrative Transfers. Budget modifications requiring Board approval include, but are not limited to, recognizing new revenue, increasing/decreasing expenditures, transfer from contingency reserve, transfer between different funds or budget units, transfer between Objects greater than \$100,000 (except transfer between Object 2 to Object 4) per transfer, etc.

### **Procedures**

#### Administrative Transfer (B-01)

- 1) The **department** seeking an Administrative Transfer contacts OBA to obtain the B-01 number.
- 2) The **department** then enters the administrative transfer request in PBF using the assigned B-01 number in the PBF form. Upon completion, the **department** notifies its OBA analyst.
- 3) The **OBA analyst** will review the PBF entry and obtain approval from the County Budget Director.



4) If the B-01 is approved, the **OBA analyst** will advance the PBF form to the appropriate stage and ensure that the administrative transfer is updated in SAP. If denied, **OBA** will work with the department on the necessary changes or explain to the department why OBA cannot approve the administrative transfer request.

### Board-Approved Modification (F-85)

- 1) The **department** seeking a budget modification requiring Board approval contacts OBA to obtain an F-85 number.
- 2) The **department** then enters the budget modification request in PBF using the assigned F-85 number in the PBF form. Upon completion, the **department** notifies its OBA Analyst.
- 3) **OBA** will review the budget modification request in PBF to ensure that it is complete.
- 4) If OBA agrees with the budget modification request, **OBA** will issue the department the F-85 form to attach to the legislative file requesting Board approval.
- 5) The **Board of Supervisors** approves or denies the budget modification request.
- 6) Upon Board approval, **OBA** will advance the PBF form to the appropriate stage and ensure that the budget modification is updated in SAP.

### **Definitions**

For the purposes of this policy, the following definitions apply:



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- 1) **"Administrative Transfer"** means transferring less than \$100,000 between Objects per transaction within a single Budget Unit and Fund.
- 2) **"Board-Approved Modification"** means any budget modification requiring Board approval.
- 3) **"Budget Unit"** or **"BU"** means the organizational unit designation given to a particular department, office, or agency for accounting and budgetary purposes.
- 4) **"B-01"** Refers to Administrative Transfer and to the PBF form budget change type.
- 5) **"F-85"** or **"Request for Appropriation Modification"** means a form submitted to the Board indicating the general ledger account, cost center, the Budget Unit, the revenue or expenditure amount involved in a proposed budget modification that requires Board approval.
- 6) **"Legislative File"** means a written memo to the Board requesting approval of a recommended action.
- 7) **"SAP"** means the County's official accounting and financial system.
- 8) **"Public Budget Formulation (PBF)"** is the County's budgeting system.

### Frequently Asked Questions

- 1) **Can a department request an Administrative Transfer of funds within the same Fund, within the same Budget Unit (BU), and within the same Object that exceed \$100,000 per BU per transfer?**



Generally, yes. However, there could be instances where OBA will not approve and ask the department to seek Board approval.

**2) What types of transfers cannot be done using a B-01?**

Some examples of when the department CANNOT use a B-01 include (but are not limited to) transfers between Funds, between BUs, recognizing new revenue, etc. However, an exception is allowed for transfer of funds between BU 235 and BU 240 since they are viewed as one department. If you have questions whether a transfer can be done with a B-01, contact your OBA analyst.

**3) Can the transfer of funds between Object 2 and Object 4 be done with a B-01 even if it exceeds \$100,000 per BU per transfer?**

Generally, yes. However, depending on the amount of the transfer, the nature of the transfer, the program involved, and other factors, OBA may request that the department obtain Board approval.

**4) Can departments request transfer of reimbursements using B-01?**

Generally, yes, since reimbursements are a type of expenditure and, therefore, within the same object. However, depending on the nature of the request, OBA may ask the department to seek Board approval.

**5) Can transfer of funds within a capital project be done with a B-01?**

Certain capital project transfers are allowed such as the transfer between General Ledger Accounts within the project for Parks, Roads, and VMC. Certain Capital Project transfers in Facilities and Fleet (FAF) are NOT allowed via B-01 and must be approved by the Board (per Board Policy 4.14).



**Related Policies**

- Fund Policy - <https://saecommon.sccgov.org/countypolicy/Fund-Policy.pdf>

**Related Forms and Information**

- Budgetary Transaction General Input Form (Form B01) - [url]/sites/forms/oba/OBACountywideForms/B01%20-%20Budgetary%20Transaction%20General%20Input%20-%20Editable.xlsx
- Request for Appropriation Modification Form (Form F85) – [url]/sites/forms/oba/OBACountywideForms/F85%20-%20Request%20for%20Appropriation%20Modification%20-%20Editable.xlsx

**History**

Date	Changes Made
1/21/2014	Policy uploaded. (John Myers)