

Financial Policy Budget Management

Resolution Number 2025-

Effective for the FY25 and FY26 Budget 08/14/2025

This Financial Policy supersedes and replaces any previous versions

BUDGET MANAGEMENT

Purpose: To establish and maintain practices for the adoption, administration, and amendment of the annual budget in accordance with Florida Statute Chapter 129.

Policy: To exercise the highest level of budgetary control per Florida Statute Chapter 129 with an emphasis on transparency to communicate the County's annual budget process from conception to finality including budget amendments and adjustments made throughout the fiscal year.

The Board of County Commissioners designates the County Manager to be the County Budget Officer pursuant to Florida Statute 129.025(1)

Procedure:

1. Revenues

- A.** The Office of Management and Budget (OMB) will estimate revenues as early as possible in the budget process in order to limit appropriation request. The Board of County Commissioners will establish the County's budget priorities based upon the revenue estimates and expenditure priorities.
- B.** The budget must be balanced, so that the total of the estimated receipts available from taxation and other sources, including balances brought forward from prior fiscal years, equals the total of appropriations for expenditures and reserves in accordance with Florida Statute Chapter 129.01(2)(c).
- C.** In general, current operating revenue should be sufficient to support current operating expenditures, with budget amendments and adjustments made to budgeted fund balance and/or appropriations if necessary.
- D.** "Earmarking" of available revenues that would unnecessarily restrict the full range of potential uses of such revenues will be limited. The use of various funds, however, will be consistent with generally accepted accounting principles and Florida Statute Chapter 129.02.

Law Enforcement will be funded 54% from the MSTU-LE taxes and 46% from the General County taxes.

State shared half-cent sales taxes that are in excess of debt obligation payments will be split 90% to the General Fund and 10% to the MSBU-Fire Fund.

Public Service Tax will be split 60% to the General Fund and 40% to the MSBU-Fire Fund.

Communications Service Tax will be split 40% to the General Fund, 40% to the MSBU-Fire Fund, and 20% to the Gas Tax Operational Fund.

- E. One-time revenues will be utilized to fund one-time expenditures wherever possible. If one-time revenues are assigned to pay for recurring expenditures a plan for transferring the expenditure to a recurring revenue source, upon depletion of the one-time revenue, will be identified by OMB and presented to the BOCC as a part of the decision .
- F. The Board of County Commissioners is authorized to establish and collect fees and charges for certain services rendered by the County. These services are available to all residents of the County but are not needed by the majority of residents, therefore, those utilizing the services are charged for the service.
 - I. All Proprietary Fees, payments for use of facilities and services, are to be reasonable in relation to the County provided privilege or service to the fee payer that receives the special benefit.
 - II. All Regulatory Fees, payments, whether designated as license fees, permit fees or by another name, which are required as an exercise of police power and as a part of or as an aid to regulation of an occupation, profession, or business, may not exceed the actual cost to the County of providing the service to the individual fee payer. Additionally, fees are solely based on the actual cost of providing what the user is consuming or are charged per direction from a regulatory authority.
 - III. All requested changes to the Schedule of Fees during the fiscal year are presented to the Board of County Commissioners for its review and approval.
 - IV. A fee schedule is therefore adopted and amended by resolution each fiscal year. Annually, fees will be reviewed by Departments and any requested modifications will include the full cost of activities, including direct and indirect costs currently supported by the fees to identify the impact of inflation and other cost increases. Supporting documentation showing calculations for fees changed will be submitted by Departments as part of the annual budget process. Departments shall retain supporting

documentation for a period of two (2) years. A thorough review of the countywide fee schedule will be conducted periodically.

2. Expenditures

- A.** The financial impact associated with new programs or program modifications will be analyzed and determined prior to presentation to, and adoption by the Board. When new programs or increased levels of service are proposed, departments will identify any applicable Federal or State mandates; outline client benefits and strategic initiatives; demonstrate alignment to organizational goals, objectives, and agreements; identify related health and safety issues; demonstrate conformance to industry/professional standards; and identify all funding sources including fees or tax increases needed to partially or fully fund the program or service. The department will document any offsetting revenue or cost avoidance associated with this issue as well as consequences of not funding the proposal.
- B.** Understanding what a program or activity costs, and what benefits are derived from these programs or activities allows the County to make informed funding decisions. To that end, all expenditures will be analyzed to ensure service alignment with current Board priorities.
- C.** Departments shall utilize performance measures to track performance, support operational improvement, and determine effective use of resources for each program.
- D.** Inflationary factors, changes in population, and economic efficiency will be considered in preparing cost of service delivery.
- E.** Vehicle, computer, and equipment replacements will be reviewed and presented as part of the annual budget process. Departments, in conjunction with the Fleet division, are responsible for identifying necessary replacements and including these requests in their budget submissions. Approvals for replacements will be subject to budget availability and prioritized based on operational needs, lifecycle assessments, and cost-effectiveness. Funding for approved replacements will be allocated within each department's budget to ensure proper financial planning and accountability.
- F.** Vehicle/Fleet Replacement surplus sale proceeds, insurance claims, and investment income will be maintained within the applicable Fund to help offset future vehicle and equipment costs.
- G.** Internal Service Funds will be self-supporting whenever possible. Internal service fees and the direct impact to County operating budgets shall be analyzed annually as part of the budget process and will be budgeted centrally for all departments.

- H.** Grant applications to fund services/programs with state or federal funds will be recommended to the Board upon review by the Office of Management and Budget and the County Manager, with significant consideration given to:
- I.** The cost of administering the grant relative to the amount of the grant
 - II.** The availability of matching funds
 - III.** The extent to which locally generated funds will be required to support the program when the grant funding is no longer available.
 - IV.** The personnel impact to the department.
 - V.** Time is of the essence with grant applications and should an opportunity for an application submittal arise that does not coincide with established Board of County Commission meetings, the County Manager, or designee shall have authority to submit and sign the grant application and place the item on the next Board of County Commission agenda for an update.
 - VI.** All grant acceptance awards will be placed on Board of County Commission agendas for final approval.

3. Operating Budget

For purposes of budgetary control, expenditures cannot legally exceed the total annual budgeted appropriations at the financial reporting fund level (The Laws of Florida Chapter 65-1236 Sub 1 and County Ordinance 233.01). The County maintains both accounting funds and financial reporting funds defined as:

- A.** Financial Reporting Fund – Also known throughout the County as a “Superfund”, is an accounting entity with a self-balancing set of accounts that whenever possible will include a combination of similar “accounting funds”.
- B.** Accounting Fund – an accounting entity with a self-balancing set of accounts which are segregated for the purpose of detailing compliance with special regulations, restrictions, or limitations.
- C.** A Municipal Services Taxing Unit (MSTU) for Law Enforcement Services - This fund, established by ordinance, shall be administered by the Board and follow the established reserve for contingency policy. Current policies for estimating revenues and appropriating expenditures shall be applied to this fund.

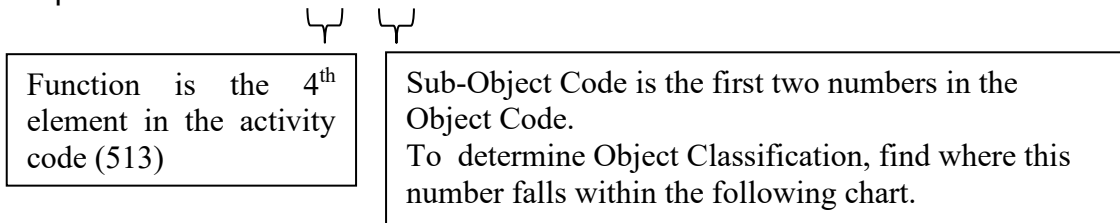
- D.** A Municipal Services Benefit Unit (MSBU) for Fire Protection Services - This fund, established by ordinance, shall be administered by the Board and follow the established reserve for contingency policy. Current policies for estimating revenues and appropriating expenditures shall be applied to this fund.
- E.** A Municipal Services Benefit Unit (MSBU) for Storm Water Management Services - This fund, established by ordinance, shall be administered by the Board and follow the established reserve for contingency policy. Current policies for estimating revenues and appropriating expenditures shall be applied to this fund.

4. Budget Request

The County shall develop a proposed budget to include personal services, operating, capital outlay, debt service, grants and aids, and other uses categories.

- A.** All Board Departments shall submit a budget request in the manner and form prescribed by the County Manager and Office of Management and Budget no later than the date set forth in the budget calendar.
- B.** The Clerk of Court, Sheriff, and Supervisor of Elections shall submit a budget request in the manner and form prescribed by the Board of County Commissioners through the Office of Management and Budget no later than May 1st (Florida Statute 129.03(2)).
- C.** It is requested by Resolution, that the Property Appraiser, Tax Collector, and Judicial Officers submit their budgets no later than May 1st of each year.

Example: **001.17.1720.513.31.00**



Code	Object Codes (AKA “Categories”)
10	Personal Services Includes Sub-Object Codes 11-29
30	Operating Expenditures Includes Sub-Object Codes 31-59
60	Capital Outlay Includes Sub-Object Codes 61-68
70	Debt Service Includes Sub-Object Codes 71-73
80	Grants and Aids Includes Sub-Object Codes 81-83
90	Other Uses Includes Sub-Object Codes 91-99

5. Budget Appropriations, Amendments and Adjustments – Budgetary levels of authority are as follows:

A. Budget Appropriation

- I. Appropriations will be made at the Fund (Superfund), Functional Category, and Object Classification (Also Known As “AKA” “categories”; personal services, operating expense, capital outlay, debt service, grants, and aids, and “other use” expenses).
- II. The Office of Management and Budget will ensure that the application of the indirect charges do not adversely affect the provision of services of the fund receiving the indirect charge.
- III. A fund for private, not-for-profit outside agencies may be maintained with an annual appropriation as available with consideration of budgetary constraints and Board Policies. All agencies seeking funding from the Board should do so during the annual open application process through the appropriate department, such as Community Support Services Department.
- IV. All requests to fund discretionary court programs, otherwise known as “local requirements,” as defined within Article V of the Florida Constitution and the supporting Florida Statutes (28.24, 29.008) require Board approval during each budget process.

B. Amendments and Adjustments:

- I. Budget amendments between reporting funds that change the fund's total appropriation require the approval of the Board of County Commissioners and an advertised public hearing.
- II. Budget adjustments ~~between Functions~~, as defined by the Uniform Chart of Accounts (Also Known As Uniform Accounting System Manual for Florida Local Governments), up to and including ~~\$50,000~~ \$250,000 can be approved by the County Manager. Budget adjustments ~~between Functions~~ over ~~\$50,000~~\$250,000 require approval of the Board of County Commissioners. Budget adjustments between categories that do not impact Function or Accounting Fund totals can be approved by the County Manager. A quarterly report of budget adjustments will be generated and published in the Board agenda with the quarterly Financial Reports.
- III. Florida Statute 129.06 (2) The board at any time within a fiscal year may amend a budget for that year, and may within the first 60 days of a fiscal year amend the budget for the prior fiscal year, as follows:
 - (a) Appropriations for expenditures within any fund may be decreased or increased by motion recorded in the minutes if the total appropriations of the fund does not change. The board of county commissioners may establish procedures by which the designated budget officer may authorize budget amendments if the total appropriations of the fund does not change.
 - (b) Appropriations from the reserve for contingencies may be made to increase the appropriation for any particular expense in the same fund, or to create an appropriation in the fund for any lawful purpose, but expenditures may not be charged directly to the reserve for contingencies.
 - (c) The reserve for future construction and improvements may be appropriated by resolution of the board for the purposes for which the reserve was made.
 - (d) A receipt of a nature from a source not anticipated in the budget and received for a particular purpose, including but not limited to grants, donations, gifts, or reimbursement for damages, may, by resolution of the board spread on its minutes, be appropriated and expended for that purpose, in addition to the appropriations and expenditures provided for in the budget. Such receipts and appropriations must be added to the budget of the proper fund. The resolution may amend the budget to transfer

revenue between funds to properly account for unanticipated revenue.

(e) Increased receipts for enterprise or proprietary funds received for a particular purpose may, by resolution of the board spread on its minutes, be appropriated and expended for that purpose, in addition to the appropriations and expenditures provided for in the budget. The resolution may amend the budget to transfer revenue between funds to properly account for increased receipts.

- IV. Appropriations related to prior year non-operating encumbrances, grants, and capital projects not completed will be submitted to the Board of County Commissioners as a budget amendment no later than the deadline set by OMB.
- V. Upon completion of the prior fiscal year's Annual Comprehensive Financial Report, the operating budget may be adjusted to reflect actual beginning fund balances if deemed necessary by the Office of Management and Budget. Audited fund balances will be adjusted ~~during this "Mid-Year"~~ through a budget amendment process to prevent spending of resources not available (Florida Statute 129.06(2)(f)).
- VI. Amendments not specifically authorized in Florida Statute Chapter 129.06(2) (a-e) require the amendment to be authorized by resolution or ordinance of the Board of County Commissioners and adopted following a public hearing. The public hearing must be advertised at least two (2) days, but not more than five (5) days, before the date of the hearing. The advertisement and adoption procedures are similar to those required for adoption of the annual budget (Florida Statute 129.06(2)(f)) and Florida Statute 50.0311.
- VII. Pursuant to Florida Statute 129.06(2)(f)2, budget amendments must be posted to the County's official website within 5 days of adoption/approval.

6. Fund Balance

A. Adopted Budget - Fund Balances

- I. General Fund – The budgeted Estimated Ending Fund balance will be at a minimum 10% of projected revenue.
- II. MSTU Law Enforcement, MSBU Fire Fund and Gas Tax Fund – The budgeted Estimated Ending Fund Balance will be at a minimum 5% of projected revenue.

- III. All Other Operating Funds – The amount of ending fund balance to be budgeted shall be analyzed and determined during the annual budget process; the Assistant County Manager for Budget and Fiscal Services and the Finance Director will jointly agree upon the ending fund balances.
 - IV. To the extent feasible, the actual unassigned plus assigned ending fund balances for the County's General Fund, MSTU Law Enforcement and MSBU Fire Funds will be at least 2 months (17%) of the appropriations.
- B.** ~~During Carry Forward and Midyear budget amendments, fund balance may be used for:~~ Fund balance may be used for the following purposes when appropriate and approved through a budget amendment:
- I. Appropriations related to prior year non-operating encumbrances, grants, and capital projects not completed. The total carry-forward amounts will be reported in the prior year Annual Comprehensive Financial Report as assigned fund balances.
 - II. Funding for authorized ~~mid-year~~ increases that will provide for a level of service that was not anticipated during the budget process.
 - III. Funding for unexpected increases in the cost of providing existing levels of service.
 - IV. Temporary and nonrecurring funding for unanticipated projects.
 - V. Funding of a local match for public or private grants.
 - VI. Funding to off-set losses in revenue caused by actions of other governmental bodies and/or unanticipated economic downturns.
 - VII. Funding to accommodate unanticipated program mandates from other governmental bodies.
 - VIII. Funding for emergencies, whether economic, natural disaster or acts of war.
 - IX. Funding for market and economic fluctuations in enterprise and internal service funds.
 - X. Funding for contamination remediation.
 - XI. Funding for rate stabilization.

7. Budgeted Reserve for Contingency

- A.** Reserve for contingency requests in the General Fund, MSTU Law Enforcement and MSBU Fire Funds, and Stormwater Fund and Gas Tax Fund must be approved by the Board of County Commissioners. The Board will use the procedures and evaluation criteria set forth in this, and other policies. Such requests will be evaluated as to the:
- I.** Urgency of the request
 - II.** Scope of services to be provided.
 - III.** Short and long-term fiscal impact of the request
 - IV.** Potential for alternative methods of funding or providing the service(s)
 - V.** Review for duplication of service(s) with other agencies
 - VI.** Review of efforts to secure non-County funding.
 - VII.** Discussion of why funding was not sought during the normal budget cycle.
 - VIII.** Review of the impact of not funding or delaying funding to the next fiscal year.
- B.** A reserve for contingency shall be calculated and budgeted by the Office of Management and Budget at a level not less than 5% of the General Fund, MSTU Law Fund, and MSBU Fire Fund, and Stormwater Fund, and Gas Tax Fund operating revenues, respectively, and an amount not greater than 10% of the total budget and in accordance with Florida Statute Chapter 129.01(2)(d) for each operating fund.
- C.** The reserve for contingency shall be separate from any unallocated fund balances.
- D.** The County's budget will be amended at such time as the Board of County Commissioners authorizes the use of contingency reserves (Florida Statute 129.06(2)(b)). All requests for the use of any reserve for contingency as referenced in 7.B. shall be accompanied by information prepared by the Office of Management and Budget showing the year-to-date activity of the reserve account as well as the current account balance and the net effect on the account balance.
- E.** Self-Insurance Risk Fund will be maintained at a level that, together with purchased insurance policies, will adequately indemnify the County's

property and liability risks in accordance with Chapter 28 of the Alachua County Code.

- I. A qualified actuarial firm shall be retained on an annual basis in order to recommend appropriate funding levels.
 - II. The Self-Insurance Risk Program will be funded at a confidence level of a minimum of 75 percent, based on an annual Cost of Risk Allocation Study and may include use of accumulated retained earnings to maintain this confidence level. Changes and budget for the Self-Insurance Risk Program are made by Board approval as stated in Alachua County Code Chapter 28.
 - III. The County shall maintain two months of anticipated claims for a Reserve for Contingency/ Catastrophic Loss in the Self-Insurance Risk Fund. In the event that retained earnings fall below these designated levels due to a catastrophic loss, a recommendation to replenish retained earnings will be prepared by the Risk Management Division for the County Manager's review and submitted for Board approval.
 - IV. The Self-Insurance Risk Fund shall be analyzed as part of the annual budget process.
- F. Health Insurance Fund will be maintained at a level that will, together with purchased insurance policies, adequately fund medical claims risk in accordance with Chapter 28 of the Alachua County Code, as outlined in the Health Insurance Management Policy.
- I. A qualified actuarial firm shall be retained on an annual basis in order to recommend appropriate funding levels.
 - II. The Florida Office of Insurance Regulation strongly encourages at least 60 days of anticipated claims, as set by an actuary. An actuarial best practice is to establish 180 days of anticipated claims as a reserve, and as such will be the requirement for the fund.
 - III. For both Board of County Commission (BoCC) departments and non-BoCC departments (Constitutional and Legislative Offices), any excess budgetary dollars remaining in the health insurance line item of a department's budget at the end of the fiscal year, ~~will~~ may be returned to the Health Insurance Fund, as determined by the Finance Director
 - IV. The Health Insurance Fund shall be analyzed as part of the annual budget process.

- G.** Retained Earnings in the Solid Waste Fund shall be maintained at a beginning balance of \$2,500,000. If Retained Earnings are depleted during a fiscal year, a plan will be developed and presented to the Financial Oversight Committee to restore Retained Earnings in its entirety the following year. If it is not feasible, the Department will present a plan to the Financial Oversight Committee which will be forwarded to the Board of County Commissioners for their approval during the budget process.
- H.** An Internal Process for Budget Adjustments and Amendments will be developed as an Administrative procedure by the Office of Management and Budget and approved by the County Manager.

ADMINISTRATION

This policy is for use in guiding financial decisions of the County, and can be interpreted by the County Manager or County Manager Designee related to budget amendments and adjustments. It is administered in conjunction with the County's other fiscal policies and may be amended or revised from time to time as determined by the County Board.

AS ADOPTED BY THE BOARD OF COUNTY COMMISSIONERS

History:

Resolution 20-07 Dated 10/01/2020
Resolution 23-08 Dated 02/28/2023
Resolution 24-15 Dated 03/12/2024
Resolution 2025-11, Dated 04/01/2025
Resolution 2025- , Dated 08/14/2025