

DEPARTMENT: Administration

BY: Rick Benson
PHONE: 966-3222

RECOMMENDED ACTION AND JUSTIFICATION: Approve object level control for certain expenditure categories and amend budget resolution. (see attached memo)

BACKGROUND AND HISTORY OF BOARD ACTIONS: The Board from time to time reviews and changes policy regarding control of spending.

ALTERNATIVES AND CONSEQUENCES OF NEGATIVE ACTION: Departments will continue to be held accountable at the line item level.

Financial Impact? () Yes (x) No	Current FY Cost: \$	Annual Recurring Cost: \$
Budgeted In Current FY? () Yes () No () Partially Funded		
Amount in Budget: \$ _____		List Attachments, number pages consecutively _____
Additional Funding Needed: \$ _____		_____
Source:		_____
Internal Transfer _____		_____
Unanticipated Revenue _____ 4/5's vote		_____
Transfer Between Funds _____ 4/5's vote		_____
Contingency _____ 4/5's vote		_____
() General () Other _____		_____

CLERK'S USE ONLY:

Res. No.: 09-177 Ord. No. _____
Vote - Ayes: 4 Noes: _____
Absent: Aborn

Approved
 Minute Order Attached No Action Necessary

The foregoing instrument is a correct copy of the original on file in this office.

Date: _____
Attest: MARGIE WILLIAMS, Clerk of the Board
County of Mariposa, State of California

By: _____
Deputy

COUNTY ADMINISTRATIVE OFFICER:

Requested Action Recommended
 No Opinion
Comments:

CAO: MRB

MARIPOSA COUNTY

Richard J. Benson
County Administrative Officer



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April 14, 2009

TO: Board of Supervisors
FROM: Rick Benson, County Administrative Officer
SUBJECT: Object Level Control

Currently, control of departmental budgets in Mariposa County is exercised at the "line item" level. If a department wishes to spend more money from a particular line item than what is appropriated, then funding must be transferred from another line item. Usually such transfers are made within the same budgetary "object category." If the transfer impacts a particular line item by more than \$1,000, then Board approval is required.

Object categories are groups of expenditures that are similar in nature. A typical departmental budget has five different expenditure object categories. They are:

1. Salaries
2. Hourly and Other Compensation
3. Benefits
4. Services & Supplies
5. Fixed Assets

Within each of these categories there are several individual line items.

It is requested that your Board approve a change in the control level to object level control for "Services & Supplies" and "Other Charges." By doing so, departments will be given more flexibility and control over their budgets. They will be able to exceed their line item appropriations so long as the total expenditures within the object category remains within the Board approved limit. It should be noted that expenditures can never exceed authorized appropriations for each object or the budget in total. By state law, Department Heads are personally responsible for any expenditure in excess of the approved appropriations.

Object level control is practiced in many if not most other governmental entities. It allows departments a larger role in managing their budgets while still allowing the Board and the Auditor to monitor departmental spending activities. This change in policy will substantially reduce the number of budget transfers coming before your Board which will, in turn, reduce paperwork and staff time. At the end of the first full fiscal year

under this policy, those line items where the department expenditures did not match the budget will be readily visible.

There is one exception to the recommended object level policy. In the past, your Board has expressed a strong desire to maintain control over travel spending. Therefore, an exception to the object level policy for the Training & Seminars line item (04-90) and the Travel line items (04-91 through 04-96) in the Board of Supervisors' budget unit is recommended. In accordance with your Board's wishes, it is recommended that these line items remain subject to line item control. That is, no expenditures above those budgeted will be allowed without specific approval by your Board.

Recommendation

It is recommended that within the "Services and Supplies" and "Other Charges" your Board establish object level control with the exception of the Training & Seminars line item.

It is also recommended that your board adopt a resolution amending Resolution #08-453 deleting paragraph #6, and changing paragraph #5 to read; *"Departments shall be responsible for budgets by object expense (category), except that for "Services & Supplies" and "Other Charges" departments shall be responsible for budgets by object level total expenses, except that appropriations for travel shall not exceed the budgeted amount without prior approval by the Board of Supervisors. The Auditor shall not issue a warrant for an expense exceeding the appropriated amount in an object total."*