

ACO BUDGETS

Form 11 Preparation/Review



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County Auditor-Controller



County of Riverside ■ Office of the Auditor-Controller

Overview of Form 11 Preparation – Fiscal Matters

- Guidelines for preparing the Financial Data on Form 11's
- ACO Budget Review Process
- Common Mistakes
- Examples
- Checklist
- ACO Budgets Team



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Guidelines for Preparing the Financial Data on Form 11's

- Board of Supervisors Policy A-5 provides all the information required for:
 - Completing a Form 11
 - Submittal Instructions and Deadlines
 - Required Approvals



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Guidelines for Preparing the Financial Data on Form 11s

- Agenda Deadlines
 - County Executive Office
 - Noon on Thursday, 12 days prior to the Board's Tuesday Agenda
 - Clerk of the Board
 - 1:00 PM on Wednesday of the week prior to the Board's Tuesday Agenda
 - **Auditor-Controller** – require 24 hours to review
 - **Noon on Wednesday, the day prior to the County Executive Office deadline**



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Guidelines for Preparing the Financial Data on Form 11's

- All Form 11's that involve a fiscal matter **MUST** be approved by the Auditor-Controller's Office.

(per BOS Policy A-5, Page 13)

– This includes all items involving:

- Financial Data
- Adjustments of estimated revenues or appropriations
- Establishing revolving funds
- New or revised rates and fees
- Contracts, agreements, and grants that involve financial matters



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SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

529

FROM: Auditor-Controller's Office **SUBMITTAL DATE:**
 December 16, 2008

SUBJECT: Cash Overages & Shortages for the period July 2008 through September 2008.

RECOMMENDED MOTION: That the Board of Supervisors approve the Report of Cash Overages & Shortages for the period July 2008 through September 2008 and direct the Auditor-Controller to make the following budget adjustments to relieve cash shortages as presented on Attachment A:

Increase Appropriation 10000-1300100000-523210 by \$26 Cash Shortage
 Decrease Appropriation 10000-1109000000-581000 by \$26 Contingency

BACKGROUND: Pursuant to Section 29390 of the Government Code and in accordance with provisions of the Board of Supervisors resolution adopted May 10, 1995, County entities' cash overages and shortages are reported to the Office of the Auditor-Controller. Attachment "A" identifies total cash shortages in the General Fund of \$267.83 and total cash overages of \$242.30 resulting in a net shortage of \$25.53. Upon inclusion of these funds in the Auditor-Controller's budget, the shortages will be reimbursed accordingly. Attachment "B" identifies total cash shortages in other funds of \$964.71 and total cash overages of \$261.43 resulting in a net shortage of \$703.28. Cash shortages in other funds are covered by the entities respective operating funds.

Robert E. Byrd
 Robert E. Byrd
 Auditor-Controller

| | | | | |
|-----------------------|-------------------------------|-------|-------------------------|----------|
| FINANCIAL DATA | Current F.Y. Total Cost: | \$729 | In Current Year Budget: | No |
| | Current F.Y. Net County Cost: | \$26 | Budget Adjustment: | Yes |
| | Annual Net County Cost: | \$0 | For Fiscal Year: | FY 08/09 |

SOURCE OF FUNDS:
 General Fund (10000) in the amount of \$26.00

| | |
|----------------------------------|-------------------------------------|
| Positions To Be Deleted Per A-30 | <input type="checkbox"/> |
| Requires 4/5 Vote: | <input checked="" type="checkbox"/> |

C.E.O. RECOMMENDATION: APPROVE

[Signature]
 County Executive Office Signature

FISCAL PROCEDURES A/P/A
 ROBERT E. BYRD, AUDITOR-CONTROLLER
 BY: SARALEWONG 12/16/08



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ACO Budgets Review Process

- Subject:
 - This description will be printed in the Board Agenda.
 - The action to be taken must be clear to the public.



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ACO Budgets Review Process

- Recommended Motion:
 - The request or recommendation must be specific.
 - It should take the form of a legislative motion.
 - The clarity and completeness of this section is extremely important.
 - For budget adjustments, there **MUST** be a motion to “Approve and direct the Auditor-Controller to make the budget adjustments shown on Schedule A, attached.”



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ACO Budgets Review Process

- Background:
 - The information in this section should be brief and concise, yet consistent with a clear explanation of the request.
 - Include pertinent background information on previous Board actions related to the issues.
 - *All ongoing costs should be clearly stated in the Background.*



ACO Budgets Review Process

- Financial Data:
 - Financial data must be completed for all fiscal matters and relate only to the motion.
 - Amendments to contracts should address only the difference between the originally approved contract and the amended amount.



ACO Budgets Review Process

- Financial Data:
 - Current Fiscal Year Total Cost
 - The expense that will be incurred in the current fiscal year
 - Current Fiscal Year Net County Cost
 - The net cost to the county general fund that will be incurred in the current fiscal year
 - Annual Net County Cost
 - The net cost (impact on the general fund) that will be incurred annually in future fiscal years



ACO Budgets Review Process

- Financial Data:
 - In Current Year Budget
 - Indicates whether the costs are already included in current year appropriations.
 - Budget Adjustment
 - Indicates whether the costs require budget adjustments to amend appropriations. Adjusting entries must be attached on Schedule A.
 - For Fiscal Year
 - Indicates to which fiscal year the costs apply.



ACO Budgets Review Process

- Financial Data:
 - Source of Funds
 - Describes or names the funding sources that will cover the costs. Examples include references to the following:
 - Specific revenue sources
 - Grants
 - State and Federal resources
 - Bond issues
 - Net Assets (Retained Earnings)
 - Contingency
 - Fund Balance



ACO Budgets Review Process

- Financial Data:
 - Source of Funds
 - When multiple sources are listed, the percentage of the cost must be included for each source.
 - The total of the percentages MUST equal 100%.
 - When describing a fund, only list the formal fund name. It is not necessary to list the fund number.



ACO Budgets Review Process

- Schedule A:
 - Departments are recommended to prepare Schedule A in a spreadsheet to ensure the accuracy of totals and balances.
 - All budget adjustments referenced for approval in the motion must be listed on the schedule in a journal entry format.
 - The entries should be complete and self-balancing.



ACO Budgets Review Process

- Schedule A:
 - Entries should be grouped by the following:
 - Fund
 - Type of Action (Example: “Increase Estimated Revenues” or “Decrease Appropriations”)
 - Dept ID
 - Account
 - If a set of budget adjustments arranges for a transfer of funds, all adjusting entries for one fund are grouped together followed by all adjusting entries for the other fund.



ACO Budgets Review Process

- Schedule A Examples:

– Adjusting Estimated Revenues and Appropriations:

Increase Estimated Revenues:

XXXXX-XXXXXXXXXX-7XXXXX Descr. of Revenue Acct \$50,000

Increase Appropriations:

XXXXX-XXXXXXXXXX-5XXXXX Descr. of Expense Acct \$50,000



ACO Budgets Review Process

– Adjusting entries involving Contingency:

Decrease Estimated Revenues:

XXXXX-XXXXXXXXXX-7XXXXX Descr. of Revenue Acct \$500,000

XXXXX-XXXXXXXXXX-7XXXXX Descr. of Revenue Acct 155,000

XXXXX-XXXXXXXXXX-7XXXXX Descr. of Revenue Acct 45,000

700,000

Increase Appropriations:

XXXXX-XXXXXXXXXX-5XXXXX Descr. of Expense Acct \$100,000

XXXXX-XXXXXXXXXX-5XXXXX Descr. of Expense Acct 200,000

300,000

Decrease Appropriations:

10000-1109000000-581000 Approp for Contingency \$1,000,000



ACO Budgets Review Process

– Adjusting appropriations between funds:

Decrease Appropriations:

| | | |
|-------------------------|------------------|-------------|
| 10000-2500200000-510040 | Regular Salaries | \$1,000,000 |
|-------------------------|------------------|-------------|

Increase Appropriations:

| | | |
|-------------------------|-----------------------------|-------------|
| 10000-1101000000-551100 | Contribution to Other Funds | \$1,000,000 |
|-------------------------|-----------------------------|-------------|

Increase Estimated Revenues:

| | | |
|-------------------------|-------------------------------|-------------|
| 4XXXX-XXXXXXXXXX-790600 | Contrib Fr Other County Funds | \$1,000,000 |
|-------------------------|-------------------------------|-------------|

Increase Appropriations:

| | | |
|-------------------------|---------------------------|-------------|
| 4XXXX-XXXXXXXXXX-5XXXXX | Descr. of Expense Account | \$1,000,000 |
|-------------------------|---------------------------|-------------|



ACO Budgets Review Process

– Adjusting appropriations utilizing fund balance:

Increase Appropriations:

| | | |
|-------------------------|------------------------------|----------|
| 10000-1000100000-536200 | Contrib to Other Non-Co Agcy | \$10,000 |
|-------------------------|------------------------------|----------|

Decrease Committed Fund Balance:

| | | |
|-------------------------|---------------------------|----------|
| 10000-1000100000-330135 | CFB-Community Improvement | \$10,000 |
|-------------------------|---------------------------|----------|

=====

Increase Appropriations:

| | | |
|-------------------------|---------------------------|-----------|
| 10000-XXXXXXXXXX-5XXXXX | Descr. of Expense Account | \$200,000 |
|-------------------------|---------------------------|-----------|

Use of Subfund Fund Balance:

| | | |
|-------------------------|-----------------------------|-----------|
| 1XXXX-XXXXXXXXXX-3301XX | Committed FB-Account Descr. | \$200,000 |
|-------------------------|-----------------------------|-----------|



ACO Budgets Review Process

– GASB 54 Fund Balance Crosswalk

| Old Code | New Code | New Description | Old Description | Status | Category | | | | |
|----------|----------|-------------------------------------|-----------------------------------|--------|----------|---------|---------|---------|---------|
| | | | | | Level 1 | Level 2 | Level 3 | Level 4 | Level 5 |
| | | | | | X | | | | |
| | | Nonspendable Fund Balance | Net Assets | | | X | | | |
| | | Nonspendable For Advances | Reserved Fund Balance | | | | X | | |
| 301100 | 314100 | Non Adv To Internal Ser Fund | Res Adv To Internal Ser Fund | A | | | | X | |
| 301200 | 314200 | Non Adv To Special Rev Fund | Res Adv To Special Rev Fund | A | | | | X | |
| 301300 | 314300 | Non Adv To Trust Fund | Reserve Adv To Trust Fund | A | | | | X | |
| 301400 | 314400 | Non Adv To Enterprise Fund | Res Adv To Enterprise Fund | A | | | | X | |
| | | | Reserve For Encumbrances | | | | X | | |
| 302100 | | Inactivate | Reserve For Encumbrances-VE | A | | | | X | |
| 302500 | | Inactivate | Reserve For Encumbrances-Sys | A | | | | X | |
| 302600 | | Inactivate | Reserve For Pre-Encumb-Sys | A | | | | X | |
| 302700 | | Inactivate | Reserve For Encumb-Paymtd | A | | | | X | |
| | | Nonspendable For Inventory | Reserve For Inventory | | | | X | | |
| 303100 | 315100 | Nonspendable for Inventory | Reserve For Inventory | A | | | | X | |
| 303101 | 315101 | Non Inv-Protective Gear | Res Inv-Protective Gear | A | | | | | X |
| | | Restricted Fund Balance | General Reserve | | | X | | | |
| | | | General Reserve | | | | X | | |
| 308100 | 321100 | Restricted General | General Reserve | A | | | | X | |
| | | Restricted For Program Money | Reserved For Program Money | | | | X | | |
| 308101 | 321101 | Restricted Program Money | Restricted Program Money | A | | | | X | |
| 308102 | 321102 | Rst For Handicapped Parking | Rsv For Handicapped Parking | A | | | | | X |
| 308103 | 321103 | Rst For Prob Asset Foreure | Rsv For Prob Asset Foreure | A | | | | | X |
| 308104 | 321104 | Rst For Domestic Violence | Rsv For Domestic Violence | A | | | | | X |
| 308105 | 321105 | Rst For Conversion Program | Rsv For Conversion Program | A | | | | | X |
| 308106 | 321106 | Rst For Deaths For Inv. Ownership | Rsv For Deaths For Inv. Ownership | A | | | | | X |
| | | Committed Fund Balance | Unreserved Fund Balance | | | X | | | |
| | | Committed Fund Balance | Designated Fund Balance | | | | X | | |
| 320100 | 330100 | Committed Fund Balance | Designated Fund Balance | A | | | | X | |
| 320101 | 330101 | CFB-Public Safety | DFB-Public Safety | A | | | | | X |
| 320102 | 330102 | CFB-Bldg & Safety | DFB-Bldg & Safety | A | | | | | X |
| 320103 | 330103 | CFB-Redevelopment | DFB-Redevelopment | A | | | | | X |
| | | | Designated FFB Courts | | | | | | X |
| 320104 | 330104 | CFB-Public Service | DFB-Public Service | A | | | | | X |
| 320105 | 330105 | CFB-PERS Credit | DFB-PERS Credit | A | | | | | X |
| 320106 | 330106 | CFB-Public Defender | DFB-Public Defender | A | | | | | X |
| 320107 | 330107 | CFB-Probation | DFB-Probation | A | | | | | X |



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ACO Budgets Review Process

- Adjusting entries using Appropriation 7:
 - The Natural Balance for Appropriation 7 is a Debit

Increase Appropriations:

XXXXX-XXXXXXXXXXX-529540 Utilities \$1,000,000
 XXXXX-XXXXXXXXXXX-573800 Intra-Utilities <\$1,000,000>

Decrease Appropriations:

XXXXX-XXXXXXXXXXX-529540 Utilities \$1,000,000
 XXXXX-XXXXXXXXXXX-573800 Intra-Utilities <\$1,000,000>

*Note: These are separate transactions.



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ACO Budgets Review Process

- Fund, Department, and Account numbers must be valid.
- Fund, Department, and Account numbers must be at Budget Level (Level 4) except for equity accounts.
- Fund/Department combo must be valid.
- Amounts must be rounded to whole dollars.



ACO Budgets Review Process

- Account description must match description on Chart of Accounts.

County of Riverside Expenditure Accounts as of July 1, 2011

| New Code | OLD | Old Code | Status | Description | # of | Acct Type Level 1 | Approp Level 2 | Rollup Level 3 | Expense Budget Level Level 4 | Sub Level 5 |
|-------------------|----------------|-----------------|--------------|---------------------------------------|---------------|-------------------|----------------|----------------|------------------------------|-------------|
| | | | | EXPENDITURES | | X | | | | |
| 510000 | | | A | Salaries and Employee Benefits | 30 | | X | | | |
| | | | | Salaries and Wages | 18 | | | X | | |
| 510020 | 110 | 1101 | A | Board Salaries | 44 | | | | X | |
| 510040 | 110 | 1103 | A | Regular Salaries | 16 | | | | X | |
| 510041 | | | A | Salaries - Distributed | 22 | | | | | X |
| 510042 | | | A | Salaries - Contra | 17 | | | | | X |
| 510043 | | | A | Outside Earnings | 16 | | | | | X |



ACO Budgets Review Process

- Accounts being decreased must have available balance at the APPROP Level.

| Budget Overview Results | | | | | | | | | | | |
|---|--------------|---------|-----------|------------|---------------|---------------|---------|-------------|-----------------|------------------|-------------------|
| Customize Find View All First 1 of 1 Last | | | | | | | | | | | |
| | Ledger Group | Account | Fund Code | Department | Budget Period | Budget | Expense | Encumbrance | Pre-Encumbrance | Available Budget | Percent Available |
| 1 | APPROP | 480000 | 91000 | 9110900000 | 2012 | 20,000,000.00 | 0.00 | 0.00 | 0.00 | 20,000,000.00 | 100.00 |

- Accounts being decreased must have available balance at the ORG Level.

| Budget Overview Results | | | | | | | | | | | |
|---|--------------|---------|-----------|------------|---------------|---------------|---------|-------------|-----------------|------------------|-------------------|
| Customize Find View All First 1 of 1 Last | | | | | | | | | | | |
| | Ledger Group | Account | Fund Code | Department | Budget Period | Budget | Expense | Encumbrance | Pre-Encumbrance | Available Budget | Percent Available |
| 1 | ORG | 481000 | 81000 | 8110900000 | 2012 | 20,000,000.00 | 0.00 | 0.00 | 0.00 | 20,000,000.00 | 100.00 |



Common Mistakes

- Background section does not include concise information (i.e., important dates and partial distributions)
- Requires 4/5 Vote box not checked
- Source of Funds does not equal 100%
- Accounting string not rolled up to budget level (level 4)
- Amounts not rounded to whole dollars
- Description of type of action incomplete (i.e., “Increase Revenue” should be “Increase Estimated Revenue”)



Common Mistakes

SCHEDULE A
MOU with United Way of the Inland Valleys (United Way)
Budget Adjustment
Fiscal Year 2007/2008

| | | | |
|-----------------------------|-------|-------------------------|----------|
| | 3 | | |
| INCREASE IN APPROPRIATIONS: | | Special Program Expense | \$14,200 |
| -526420 | 54300 | | |
| | 2 | Other Misc Revenue | \$14,200 |
| -781360 | 54300 | | |

1. Type of action should be "Increase Estimated Revenue:".
2. Program numbers are unnecessary.
3. Account description is incorrect.



Common Mistakes

- Missing ACO approval when form 11 requires a budget adjustment.
- Unable to verify costs under the Financial Data section because:
 - a. Background information does not include information about previous Board actions related to the issue. What was the original contract amount?
 - b. Missing PREV. AGN. REF.
- Schedule A is missing the account number and/or description.
- Fund/Dept ID/Account is inactive or incorrectly keyed.



Examples

December 8, 2008

SUBJECT: Amendment #2 to Agreement #08B-5481 with Department of Community Services and Development for the 2008 Low-Income Home Energy Assistance Program

RECOMMENDED MOTION:

That the Board of Supervisors approve and:

1) Authorize the Chairman of the Board to sign the attached Amendment #2 to Agreement #08B-5481 between [redacted] increasing the 2008 Low-income Home Energy Assistance Program (LIHEAP) allocation from \$2,149,873 to \$2,241,413; and

2) Authorize the Auditor Controller to adjust the budget as identified in the attached Schedule A.

0 + 0
2,241,413.00 +
2,149,873.00 -
91,540.00 *

Continued (3-pages total)

| | | |
|-----------------------|------------------------------------|----------------------------|
| FINANCIAL DATA | Current F.Y. Total Cost: \$91,540 | In Current Year Budget: No |
| | Current F.Y. Net County Cost: \$ 0 | Budget Adjustment: Yes |
| | Annual Net County Cost: \$ 0 | For Fiscal Year: 08/09 |

SOURCE OF FUNDS: 100% Federal

C.E.O. RECOMMENDATION: APPROVE

Dept Ref: [redacted] Per Exer: [redacted]

Prev. Agn. Ref.: 4/15/08 (#3.20) District: All Agenda Number: 3 15
10/21/08 (#3.14)

- Amendments to contracts must only address the difference between the originally approved contract and the amended amounts.



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Examples

BACKGROUND:

On April 15, 2008 (Agenda #3.20), the Board approved Agreement #08B-5481 establishing the 2008 LIHEAP program to: 1) assist low-income consumers with high energy bills, 2) repair or replace heating and cooling devices that contribute to high energy consumption, and 3) weatherize homes.

On October 21, 2008 (Agenda #3.14), the Board approved Amendment #1 to Agreement 08B-5481 which: 1) increased the 2008 LIHEAP allocation by \$87,105; 2) increased the Weatherization reimbursement for labor rates, fuel and materials costs; and 3) extended the end of the term of the agreement from December 31, 2008 to June 30, 2009.

In Amendment #2, CSD released Emergency Contingency Funds, increasing the 2008 LIHEAP allocation by \$91,540. All other terms and conditions remain unchanged.

Therefore [redacted] the Board to approve the Amendment #2 to Agreement #08B-5481, for \$2,241,413, covering the term January 1, 2008 through June 30, 2009.

SCHEDULE A
Budget Adjustment
Fiscal Year 2008/2009

| | | |
|------------------------------------|----------------------------|----------|
| INCREASE IN APPROPRIATIONS: | | |
| [redacted]-530020 | Board Other | \$91,540 |
| INCREASE IN EST. REVENUE: | | |
| [redacted]-767220 | Fed Other Operating Grants | \$91,540 |



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Examples

- Annual Net County Costs

SUBJECT: Approve a Sole Source Agreement with Aon Consulting, Inc., for Consulting Services without securing competitive bids.

RECOMMENDED MOTION: That the Board of Supervisors:

(1) Approve a Sole Source award to Aon Consulting, Inc., for consulting services for the

(2) Approve the attached professional services agreement between the County of Riverside and Aon Consulting, Inc. in an amount not to exceed \$700,000 over a period of two years (year 1 \$540,000; year 2 \$160,000) and authorize the Chairman to execute the agreement on behalf of the County;

(3) Authorize the Purchasing Agent to sign a one year renewal;

(4) Authorize the to administer the agreement in accordance with applicable Board policies; and

(5) Approve and direct the Auditor-Controller to make the budget adjustments shown on Attachment A, attached.

BACKGROUND: Starting in 2008, preparing for a two-phase (continued)

| | | | | |
|-----------------------|-------------------------------|------------|-------------------------|-------|
| FINANCIAL DATA | Current F.Y. Total Cost: | \$ 540,000 | In Current Year Budget: | NO |
| | Current F.Y. Net County Cost: | \$ 540,000 | Budget Adjustment: | YES |
| | Annual Net County Cost: | \$ 160,000 | For Fiscal Year: | 08/09 |

SOURCE OF FUNDS: Corrections Staffing Designation. Positions To Be Deleted Per A.30



Checklist

- See Form 11 Checklist



ACO Budgets Team

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- Samuel Wong, Sr. Accountant
– (951) 955-0335

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Questions



The End

