

# Administrative Procedure

Resolution Number 19-37  
Review Date: January 26, 2021

Effective Date: October 1, 2019  
Revised Date: April 16, 2019

This Administrative Procedure supersedes and replaces any previous versions

## FINANCIAL MANAGEMENT

**Purpose:** To establish the framework for the County's overall financial planning and management.

**Policy:** To show the citizens, credit rating industry and prospective investors (bond buyers) the County's commitment to sound financial management and fiscal integrity. To improve the County's fiscal stability by helping County officials plan fiscal strategy in a consistent manner.

### **Procedure:**

1. Financial Goals
  - A. To maintain the financial viability of the County in order to ensure adequate levels of County services.
  - B. To maintain financial flexibility in order to continually adapt to local and regional economic and demographic changes.
  - C. To maintain and enhance public infrastructure in order to provide for the health, safety and welfare of the County's citizens.
2. Inter-fund Loan Policy –

Inter-fund Loan Policies are intended to provide parameters and guidance for the management of loans between funds. Inter-fund loans may be necessary to provide adequate cash flow for reimbursable grants and contractual obligations with deferred revenues.

  - A. Repayment of any loan shall not exceed one year without approval of the Board of County Commissioners. Loans outstanding at fiscal year-end will be reported to the Board of County Commissioners.
  - B. Any fund may receive an interfund loan of up to and including \$100,000 with approval from the Clerk of the Courts, Finance Director, and the Assistant County Manager for Budget and Fiscal Services or County Manager.
  - C. Any fund may receive an interfund loan in excess of \$100,000 with the approval from the Board of County Commissioners.
  - D. Due to the receipts of ad-valorem taxes not being sufficiently received until the end of November, the County may not have sufficient cash to maintain an adequate cash flow in the beginning of the fiscal year. Therefore upon the approval from the Clerk of the Courts, Finance Director, Assistant County Manager for Budget and Fiscal Services, and the County Manager, the General Fund, MSTU for Law Enforcement

and MSBU – Fire Service Funds may borrow, short-term, from other appropriate funds until the receipts of ad-valorem tax or special assessment revenue provide adequate cash flow. In no instance, without approval of the Board of County Commissioners, shall the loan remain unpaid past December 31 of the year the loan is made.

### **3. Replacement Funds**

- A.** The County shall maintain the replacement plan and the internal service funds that provide for the acquisition/replacement of fleet, computers, and other designated equipment. The replacement plan and funds will be maintained in such a way as to minimize the impact on other funds. It is the intent of the funds to capitalize as many purchases as appropriate under the County’s capitalization guidelines.
- B.** A Vehicle/Fleet Replacement Fund will be maintained to ensure adequate systemic replacement of fleet vehicles. Operating departments will be charged for fleet operating costs per vehicle and replacement costs spread out over the useful life of the vehicles. Fleet vehicles and equipment being purchased may be excluded from the vehicle replacement fund as recommended by the Assistant County Manager for Budget and Fiscal Services.
- C.** A Gas Tax Vehicle/Fleet Replacement Fund shall be maintained to ensure adequate resources are available for the systematic replacement of rolling stock and fleet vehicles. Annual contributions will be based upon the replacement schedules developed and maintained by the Division of Fleet Management.
- D.** Vehicle/Fleet Replacement surplus sale proceeds, insurance claims, and investment income will be maintained within the applicable Vehicle Replacement Fund to help offset future vehicle and equipment costs.
- E.** A Rolling Stock Reserve shall be maintained in the Solid Waste Management Fund to ensure adequate resources are available for the systematic replacement of rolling stock and fleet vehicles. Annual contributions will be based upon the replacement schedules developed and maintained by the Division of Fleet Management.
- F.** An E-911 Equipment Replacement Reserve shall be maintained in the Emergency Communications E-911 System Fund to ensure adequate resources are available for the replacement and/or upgrade of equipment at the primary and back-up PSAP’s (Public Safety Answering Point) as allowed by F.S. 365.172. Annual contributions will be made in accordance with F.S. 365.173 which restricts the amount of E-911 carryover revenues.

### **4. Fund Balance**

- A.** The County will report Fund Balance in accordance with Governmental Accounting Standards Board Statement No. 54 Fund Balance Reporting and Government Fund Type Definitions. Each financial reporting fund’s Fund Balance

shall be composed of non-spendable, restricted, committed, assigned, and unassigned amounts.

- B.** The unassigned plus assigned fund balance for the MSTU Law Enforcement and MSBU Fire Funds, at each fiscal year end, shall not be less than 5% of the following year's projected operating revenue and the unassigned plus assigned fund balance of the General Fund shall be 10%. In any fiscal year where the County is unable to maintain the minimum fund balance as required in this section, the County shall reestablish the minimum amount over a period not to exceed 3 years. During the reestablishment period, the County shall not appropriate any amounts of such fund balance for the purpose of balancing the budget until the minimum is reached.

## **5. Reporting and Audits**

- A.** Balanced revenue and expenditure forecasts will be prepared to examine the County's ability to absorb operating costs due to changes in the economy, service demands, and capital improvements.
- B.** The County's accounting and financial reporting systems will be maintained in conformance with all state, federal and local laws, generally accepted accounting principles as required in Florida Statutes Chapters 129 and 200.
- C.** An annual audit will be performed by an independent public accounting firm, as required by Florida Statute. The results of the audit will be reported to the Board of County Commissioners and the audit opinion included in the County's Comprehensive Annual Financial Report (CAFR).
- D.** The Clerk's Office will be asked to submit the CAFR to the Government Finance Officers Association (GFOA)'s Certificate of Achievement for Excellence in Financial Reporting Program.
- E.** The Office of Management and Budget will submit the County's Budget to the GFOA's Distinguished Budget Presentation Program.
- F.** Financial information including the CAFR and the Budget will be published on the Clerk's and County's websites, respectively.
- G.** Secondary market disclosures will be included in the CAFR.
- H.** The Office of Management and Budget will perform quarterly reviews to determine if the budgetary plan is being followed and if budgetary expectations are being achieved. Any problems discovered in this process will be corrected at the appropriate level of budgetary control.
- I.** Property control shall be applied to all assets valued at the level required by State Statute, the current minimum monetary threshold for capitalization and the item shall be tagged and identified by asset number when appropriate. Each item is physically identified and assessed as to its condition at least once per fiscal year.

- J.** Travel reimbursement will be in accordance with policies adopted in compliance with Florida Statute 112.061 (14).
- 6.** Annexation
- A.** The Office of Management and Budget will be responsible for providing to the County's Annexation Team a fiscal analysis of the impact related to proposed annexations. The analysis will be performed, upon receiving a request from the Annexation Team, using the following criteria:
    - I.** Unincorporated area population reduction between 1% and 3%- base analysis.
    - II.** Unincorporated area taxable property value reduction between 1% and 3% - base analysis.
    - III.** Unincorporated area population reduction greater than 3% - countywide analysis.
    - IV.** Unincorporated area taxable property value reduction greater than 3% - countywide analysis.
  - B.** A base analysis will include projections for all major revenues and expenditures that are impacted by unincorporated area population changes. A report on the base analysis will be sent to the Annexation Team within 5 business days of the request.
  - C.** A countywide analysis will include a base analysis as well as a review by all departments of service delivery impacts in the area being annexed. A report on the countywide analysis will be sent to the Annexation Team within 30 days of the receipt of the request. A review checklist sent to all departments will be completed and returned within 14 days. OMB will also analyze the fiscal impact of annexations related to Constitutional Offices.
  - D.** The Annexation Team has the discretion of requesting an analysis from OMB for annexations that do not meet the criteria listed above. Such requests may be used to address annexations that fall below the 1% thresholds or to address the cumulative impact of annexations over a certain time period.

AS ADOPTED BY THE BOARD OF COUNTY COMMISSIONERS  
RESOLUTION **19-37**  
DATED **04/16/2019**