How to Manage Your Current Year Operating Budget
Presented by: Trina Martin
UAN IT Specialist II

Additional Training
- More in-depth training available on our website: UANLink.Ohioauditor.gov
- Under Training - Transition

When Do You Prepare the Next Year Budget
- Group 1: Entities in a county that adopt and file a budget for the new year in June/July. County Budget Commissions reviews the budget and issues the Official Certificate of Estimated Resources
- Group 2: Entities in a county that abandoned the budget procedure and established their own process for issuing the Official Certificate of Estimated Resources
- Group 3: I'm new and I don't know what my county requires!
Contact Your County Auditor!

Group 3
• Budgets must be adopted by the board in JUNE!
• Call your County Auditor's office to find out your requirements

Group 1 File a Budget
• Budget = One word for the "plan" for the new year
• Budget (plan) includes
  a) Estimated year end fund balances
  b) Estimated revenue for the new year
  c) Estimated expenditure requirements for new year
• \( a) + b) = \text{Official Certificate of Estimated Resources} \)
• Document issued by the County Budget Commission that limits the amount of appropriation that can be adopted for the new year before the 1st Amended Official Certificate of Estimated Resources is issued (aka Amended Certificate)
• c) are not board-adopted appropriations!
• Its the starting point for preparing permanent appropriations for the new year – they do not automatically become new year permanent appropriations!

Group 2 County Opt out of Budget
• Those counties have independent procedures to issue an Official Certificate
• Independent procedures probably require you to provide:
  a) Estimated year end fund balances
  b) Estimated revenue for the new year
• \( a) + b) = \text{Official Certificate of Estimated Resources} \)
• Document issued by the County Auditor that limits the amount of appropriation that can be adopted for the new year before the 1st Amended Official Certificate of Estimated Resources is issued (aka Amended Certificate).
What Happens to that Budget (plan) Jan 1st?

- Nothing! That budget was a plan.
- The plan doesn’t automatically become the new year operating budget.
- The new year operating budget becomes two separate components:
  - Certified resources available (a + b = Official Certificate), and
  - Board-adopted appropriations (c) but only when they are adopted as appropriations.
- Each component is maintained independently.
- Figures from the budget are used to implement the plan.

Two Components of the New Year Operating Budget

- Official Certificate of Estimated Resources
  - Limits the amount the board may adopt as new year appropriations.
  - You know your new year revenue budgets before year end! Be prepared!
  - Enter new year revenue budgets.
  - Close prior year & complete Certificate of the Total Amount From All Sources Available for Expenditures, and Balances (UAN-Year End Certificate).
  - Certifies the year end fund balances, carryover encumbrances, and estimated revenue.
  - Amended Official Certificate of Estimated Resources (Amended Certificate).

- Board-adopted Appropriations
  - Temporary appropriations (usually a December 31 effect Jan 1st, expire by law 3/31).
  - Enter new year temporary appropriations.
  - Adopt permanent appropriations.

Managing Current Year Budget Changes

- Received $5000 fire equipment grant.
- Per LGS run through 2191 Fire Levy fund, verify revenue and appropriation accounts to use.
- Must change both components of the current year operating budget in the correct order.

Refer to Document:
New Money Quick Guide

Adapt Contact Document
Managing Current Year Budget Changes

Add required fund, revenue and appropriation accounts

Uniform Accounting Network

<table>
<thead>
<tr>
<th>Accounting</th>
<th>Utility</th>
<th>Budget</th>
<th>Inventory</th>
<th>General</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transact.</td>
<td>Reports &amp; Statements</td>
<td>Maintenance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Appropriation Accounts</td>
<td>Appropriation Budgets</td>
<td>Checking Accounts</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash Centers</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vouchers</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Pay Setup</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue Accounts</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue Budgets</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Efficient • Effective • Transparent

Changes to Resources Available Component

- New resources available are certified by requesting a new amended certificate

Revenue Budget

- Enter Revenue Budgets in UAN

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## Enter Revenue Budget

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
<th>Budget</th>
<th>Appropriated</th>
<th>Budget</th>
<th>Appropriated</th>
</tr>
</thead>
<tbody>
<tr>
<td>1310-131000</td>
<td>General Property Tax Fund</td>
<td>$85,600.00</td>
<td>$85,600.00</td>
<td>$85,600.00</td>
<td>$85,600.00</td>
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<tr>
<td>1310-131040</td>
<td>Property Tax Assessment</td>
<td>$85,600.00</td>
<td>$85,600.00</td>
<td>$85,600.00</td>
<td>$85,600.00</td>
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<tr>
<td>1310-131050</td>
<td>Property Tax</td>
<td>$85,600.00</td>
<td>$85,600.00</td>
<td>$85,600.00</td>
<td>$85,600.00</td>
</tr>
<tr>
<td>1310-131060</td>
<td>Other Local Sources</td>
<td>$85,600.00</td>
<td>$85,600.00</td>
<td>$85,600.00</td>
<td>$85,600.00</td>
</tr>
</tbody>
</table>

Reports Showing Changes

[Image of the Uniform Accounting Network website]

- Appropriation Reports
- Appropriation Budget Reports
- Bank Reconciliation Reports
- Budgetary Reports
- Cash Reports
- Operating Account Reports
- Fund Balance Adjustment Reports
- Fund Reports
- Interfund Transfer Reports
- Interfund Transfer Reports
- Investment Reports
- Management Reports
- Payment Jackets
- Purchasing Order Reports
- Reconciliation Reports
- Reconciliation Balance Account Reports
- Reconciliation Reports

[Image of the Enter Revenue Budget interface]

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## Revenue Budget Report

<table>
<thead>
<tr>
<th>Account Code</th>
<th>Account Name</th>
<th>Budget Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1000-01-0000</td>
<td>General Property Tax - Real Estate</td>
<td>$5,000,000.00</td>
</tr>
<tr>
<td>1000-01-0001</td>
<td>Licenses and Permits</td>
<td>$1,000,000.00</td>
</tr>
<tr>
<td>1000-01-0002</td>
<td>Fees</td>
<td>$200,000.00</td>
</tr>
<tr>
<td>1000-03-0000</td>
<td>Cable Franchise Fees</td>
<td>$1,000,000.00</td>
</tr>
<tr>
<td>1000-03-0001</td>
<td>Local Government Distribution</td>
<td>$250,000.00</td>
</tr>
<tr>
<td>1000-03-0002</td>
<td>License Renewal Fees</td>
<td>$5,000,000.00</td>
</tr>
<tr>
<td>1000-03-0003</td>
<td>Other Property Tax Allowances</td>
<td>$1,000,000.00</td>
</tr>
<tr>
<td>1000-03-0004</td>
<td>Interest</td>
<td>$0,000.00</td>
</tr>
<tr>
<td>1000-09-0000</td>
<td>Resale and Lease</td>
<td>$5,000,000.00</td>
</tr>
<tr>
<td>1000-09-0001</td>
<td>Other - Revenue Sharing</td>
<td>$0,000.00</td>
</tr>
<tr>
<td>1000-09-0002</td>
<td>Other - Other-Operating</td>
<td>$0,000.00</td>
</tr>
<tr>
<td>1000-09-0003</td>
<td>Other - Other-Operating</td>
<td>$0,000.00</td>
</tr>
<tr>
<td>1001-01-0000</td>
<td>General Property Tax - Real Estate</td>
<td>$5,000,000.00</td>
</tr>
</tbody>
</table>
Amended Certificate – Revenue Budget

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Changes to Appropriations Component

- Board adopts new appropriations at an open public meeting (legislation)
- Send a copy of signed legislation to County Auditor
- Enter a supplemental appropriation budget

Appropriation Budgets

- Enter a supplemental appropriation budget
Unusual Changes to Resources Available

- Usual certifying of new resources requires a change to the Taxes or Other Sources columns on an amended certificate.

- Unusual changes include:
  - Voiding a prior year warrant or receipt
  - Audit Adjustments

Change in beginning of year fund balance will change the unencumbered fund balance column on the amended certificate.

Additional Training

- More in-depth training available on our website: UANLink.Ohioauditor.gov
- Under Training – Accounting

Scroll down to Housekeeping

Separate section for Payments and Audit Adjustments.
Sample Letter

Changes to Appropriations
That do NOT Require a New Amended Certificate

- If Permanent Appropriations were not the maximum amount authorized by the current amended certificate, supplemental Appropriations can be adopted to increase appropriations
- Appropriations within a fund can be “Reallocated” from one account code to another when required
  - Officially known as Intra-fund transfer, not to be confused by Inter-fund transfers (transferring money between two funds)
- Sometimes, Appropriations have to be reduced instead of increased
  - Rare but sometimes required with audit adjustments

Evaluate Resources Available
Supplemental Appropriation Budgets

- Enter a supplemental appropriation budgets

Supplemental Appropriation Budget

- Send a copy of supplemental appropriation legislation to the County Auditor
Reallocation of Current Appropriations

- Within one fund you are moving current unencumbered appropriations from one appropriation account code to another
- Outside Legal Level of Control – requires board-adopted legislation
- Inside Legal Level of Control – does not require board-adopted legislation
- Why would you reallocate?
  - Costs paid from an appropriation account have increased – budgeted amount is insufficient
  - Situation changed and appropriation account budget is insufficient to support changes
  - Appropriation accounts were budgeted too low (inexperience)

Reallocate Appropriation Budgets

- Reallocate appropriation budgets
### Reallocate Appropriation Budgets

<table>
<thead>
<tr>
<th>Account Code</th>
<th>Account Name</th>
<th>Original Appropriation</th>
<th>Revised Appropriation</th>
<th>Expenditure</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>0111191002</td>
<td>General Operating</td>
<td>$1,234,567</td>
<td>$1,098,765</td>
<td>23%</td>
<td></td>
</tr>
<tr>
<td>0111191003</td>
<td>Research Services</td>
<td>$456,789</td>
<td>$323,456</td>
<td>23%</td>
<td></td>
</tr>
<tr>
<td>0111191004</td>
<td>Development</td>
<td>$123,456</td>
<td>$100,000</td>
<td>23%</td>
<td></td>
</tr>
<tr>
<td>0111191005</td>
<td>Facilities</td>
<td>$567,890</td>
<td>$456,789</td>
<td>23%</td>
<td></td>
</tr>
</tbody>
</table>

Note: Percentage represents the proposed reduction in budget.
Audit Adjustments

- Errors were made in prior years posting receipts or payments to the wrong fund.
- Auditors issue audit adjustments to correct the CASH BALANCE of the funds.
- You can never go back into the prior year and make the correction.
- Audit adjustments are posted as Fund Balance Adjustments and always impact current year resources available.
- Requires a request for an amended certificate.

Audit Adjustments issued:
- +1750.00 General
- – 1750.00 Road & Bridge
Items Required to Post Audit Adjustment

- Today my Auditor wants a report showing my audit adjustments were posted
- Today I can enter the supplemental appropriation reducing appropriations to Road & Bridge appropriations by $423.87 effective date used is the next meeting date
- At next meeting the board must adopt legislation reducing appropriations in the Road & Bridge fund by $423.87 DO NOT FORGET THE LEGISLATION!!!!

Supplemental Appropriation Budgets

- Enter negative supplemental appropriation budgets

Negative Supplemental Appropriation Budgets
Post Audit Adjustments

<table>
<thead>
<tr>
<th>Fund</th>
<th>Date</th>
<th>Adjustment Type</th>
<th>Adjustment</th>
<th>Reason</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>09/01/2022</td>
<td>Prior-year audit</td>
<td>Error</td>
<td>Voided outstanding prior year check list in the mail. New payment.</td>
</tr>
<tr>
<td>2021</td>
<td>09/01/2022</td>
<td>Prior-year audit</td>
<td>Error</td>
<td>Voided outstanding prior year check list in the mail. New payment.</td>
</tr>
<tr>
<td>2021</td>
<td>09/01/2022</td>
<td>Audit adjustment</td>
<td>Error</td>
<td>Incorrect reporting in prior year</td>
</tr>
</tbody>
</table>

Sample Letter to County Auditor

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Additional Training

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This webinar will be produced and posted on our website at the bottom of Training – Accounting.