Purpose

The purpose of the Transfer and Supplemental Appropriation policy is to establish procedures for revising the Board of Supervisors’ adopted fiscal plan and to set forth the specific approvals required to implement proposed changes.

I. Scope

This policy applies to all General County Government departments and agencies, and to the School Division in the case of supplemental appropriations and carryovers.

II. Budget Action Form

Agencies and staff requesting revisions to their adopted budgets will submit a Budget Action Form (BAF) to the County Management Services Office. Finance staff will either authorize the change or submit recommendations to the County Administrator, depending on the type of request and the requirements described by this policy.

A. Transfers: A transfer involves the movement of budgetary appropriations within a departmental or agency budget or between agency budgets, provided that the proposed action does not impact overall appropriations at the fund level.
   1. To initiate a request for transfer the initiating department(s) shall complete a Budget Action Form (BAF).
   2. This form shall be reviewed by the Finance Office which shall be tasked with reviewing the justification for the transfer and providing a written statement of findings and recommendations.
   3. All requests for budget transfers must provide justification and be signed by the initiating department head(s).
   4. Departments are responsible for ensuring that expenditures are reconciled with budgets for the following categories: personnel, operations, and capital.

B. Transfer Approval:
   1. The Finance Office is the approval authority for all inter-departmental transfers of less than $500.
   2. The County Administrator is the approval authority for all inter-departmental transfer requests of $500 and above.
   3. Transferring appropriations between the personnel and non-personnel categories will be allowed on an exception basis only, subject to approval by the County Administrator.
4. The Board of Supervisors is the approval authority, upon review and recommendation of the County Administrator, for all transfer requests to establish full-time or part-time permanent positions or any action that would create a multi-year financial commitment.

5. The Board of Supervisors is the approval authority, upon recommendation of the County Administrator, for all requests to transfer appropriations from the Undedicated Contingency Reserve or a Dedicated Contingency Reserve.

6. The initiating Department(s) may appeal a determination of the Finance Office to the County Administrator.

7. Initiating Department(s) that do not report to County Administration may appeal a determination of the County Administrator to the Board of Supervisors.

D. **Supplemental Appropriations:** Supplemental Appropriations involve actions that increase or decrease the overall budget appropriation for the County Budget or a Fund contained therein. Funding sources for these changes may include grants, unanticipated revenues, inter-Fund transfers or the use of Fund Balance.

E. **Supplemental Appropriation Approval:**
   1. The Finance Office will prepare an annual appropriations resolution that will authorize staff to carry forward appropriations authority for unexpended grants and encumbrances from the prior fiscal year as part of the annual closeout process.
   2. All requests for supplemental appropriation that do not fall under the preceding guideline require the Board of Supervisors’ approval upon recommendation of the County Administrator.

F. **Supplemental Appropriation – Public Hearing**
   1. The Code of Virginia (Sec. 15.2-2507) requires a public hearing when supplements to the budget exceed 1% of the total budget.
   2. The Finance Office has administrative responsibility to ensure that statutory requirements are met in regard to budget adjustments.

G. **Schools Categorical Transfers:**
   For the purpose of this policy, transfers between School budgetary categories shall also require Board of Supervisors approval, provided that the School budget was approved using categorical appropriations.
H. Capital Projects (CIP Funds):

1. Intra-Project Transfers: Transfers within project budgets are subject to the same procedures as intra-departmental transfers, described in Section III.A of this policy.

2. Inter-Project Transfers: The Board of Supervisors is the approval authority, upon recommendation from the County Administrator, for all requests for transfer between capital projects.

3. Project Activity (CIP Fund): All capital projects having no activity (expenditure) within an 18 month period will be identified and submitted to the County Administrator for review. Any of the projects for which there is no justified reason for inactivity will be closed and any residual funding will be transferred to the appropriate construction reserve account (County or Schools). These funds will be available for other County/School capital needs as determined by the Board of Supervisors.
Essex County Budget Action Form

Requesting Dept./Organization: ________________________________  FY ____________

Explanation of Request (please go to next worksheet if additional space is required):

Supplemental Appropriation: ☐  Transfer: ☐

Funding Details (for additional space, please go to next worksheet)

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Department Head Signature ___________________________  Date: ____________

Finance Office Recommendation:

Approve: Yes ☐  No ☐  Signature ___________________________  Date: ____________

Comments: ☐  ☐

County Administration Recommendation (if required):

Approve: Yes ☐  No ☐  Signature ___________________________  Date: ____________

Comments: ☐  ☐

County Administrator Recommendation (if required):

Approve: Yes ☐  No ☐  Date: ____________

Board of Supervisors Action (if required):

Approve: Yes ☐  No ☐  Date: ____________

Finance Signature(s): ___________________________  Date: ____________

Finance Use Only
## Essex County Budget Action Form

BAF # (assigned by Finance Dept.)

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**Department Head Signature**

**Date:**