Purpose
The purpose of this policy is to establish procedures for initiating, preparing and processing an interim budget adjustment. This policy is applicable to all interim budget adjustments that bear upon the County’s adopted budget.

Policy
As a means of achieving fiscal management flexibility and transparency, Salt Lake County allows specific, but limited, budget adjustments to adopted budgets. Interim budget adjustments are only considered outside the regularly scheduled Council budget opening sessions and must fully disclose the cumulative and annualized effect of the adjustment currently and in the future. Except as set forth in this policy, interim budget adjustment requests are subject to the review and approval or denial of the Council.

I. Definitions
   A. **Adopted Budget**: The budget adopted by the Council pursuant to its legislative authority.
   B. **Agency**: A separate and distinct unit of county government, which has its own budget.
   C. **Appropriation**: An allocation of money for an organization for a specific purpose made by the Council.
   D. **Capital Project**: Any new construction, acquisition, repair, replacement or reconstruction of County-owned property that adds to the inventory of assets or results in the betterment (extends the useful life, increases the value or improves the quality) or maintenance of an existing asset.
   E. **Capital Project Budget**: All planned costs associated with a Capital Project including professional fees, project management, land, and all other ancillary costs associated with completion of the project.
   F. **County Funding**: The amount equal to total expenses minus total operating revenues from external sources.
   G. **Declared Emergency**: Declaration by the Mayor of a situation causing or threatening to cause widespread damage, injury or loss of life, or significant property damage resulting from an attack, internal disturbance, natural phenomena, public health emergency, or technological hazard. A declared emergency creates an immediate need for goods and services that may preclude full and open competitive procurement.
   H. **Expenditure**: A payment for goods or services in compliance with the Uniform Fiscal Procedures Act for Counties, Utah Code §17-36-1.
   I. **Interim Budget Adjustment**: An adjustment to an adopted budget occurring outside the regularly scheduled Council budget opening sessions.
   J. **Material New Revenue**: Revenue exceeding $100,000, regardless of the source, that is not identified in the adopted budget.
   K. **Organization**: A specifically recognized County budget entity as identified in PeopleSoft.
   L. **Proposed Budget**: A budget presented in the format of the tentative budget, together with the Mayor's recommended adjustments and revenue comments forwarded to the Council pursuant to the Mayor's executive authority.
   M. **Technical Adjustment**: An adjustment to correct errors or omissions in the adopted budget and other technical updates prepared by the organizations.
N. **Tentative Budget**: The budget prepared and submitted by Mayor’s Financial Administration to the Mayor for further executive action and preparation of a proposed budget.

II. **General Procedures and Responsibilities**

A. **Procedures that apply to all interim budget adjustments:**
   1. An interim budget adjustment form, **SL County Budget Request/Adjustment Form**, must be completed for all interim budget adjustment requests.
   2. A completed SL County Budget Request/Adjustment Form, along with accompanying documentation, must be submitted to the Chief Financial Officer/Deputy Mayor (or his/her designee in the Office of Finance) to be reviewed for completeness.
   3. The Mayor will review all requests for interim budget adjustments.
      a. For requests submitted by independent elected officials, the Mayor will forward the request to the Council Fiscal Manager (or his/her designee) and may make a recommendation for either approval or denial of the request.
      b. For requests submitted by Agencies under the Mayor’s control, the requests will be forwarded to the Council Fiscal Manager for review and consideration only if the Mayor concurs with the request.
   4. A budget adjustment requesting a new FTE or eliminating all or part of an FTE, regardless of funding source or funding certainty, requires the submission of an interim budget adjustment request in accordance with this policy and may not be approved by the Council Fiscal Manager pursuant to subsection II.B.
   5. Approval of an interim budget adjustment by either the Council Fiscal Manager (Subsection II.B.) or the Council (Subsection II.C.) constitutes authority to expend funds.

B. **Specific and additional procedures that apply to interim budget adjustments equaling $50,000 or less:**
   1. The Council Fiscal Manager may approve an interim budget adjustment that conforms with adopted Legislative Intent and:
      a. Is a technical budget adjustment; or
      b. Is County Funding neutral, if the revenue is restricted for the same purpose as the requested expenditure (i.e., the revenue could not be used for another purpose); or
      c. Shifts appropriations from one capital project to another substantially similar project and meets the requirements of subsection III.G.2.

C. **Specific and additional procedures that apply to interim budget adjustments greater than $50,000:**
   1. The Council Fiscal Manager will forward the request to the Council and may make a recommendation for either approval or denial of the request.
   2. The Council, during a public meeting, will review the interim budget adjustment request and will either approve or deny the request.
3. The Mayor may veto a Council-approved interim budget adjustment and the Council may override the Mayor’s veto in accordance with applicable County ordinances.

D. Responsibility of Council, Mayor, Council Fiscal Manager, and Agency submitting request:
   1. Council Responsibilities:
      a. It is the Council’s responsibility to review a request for an interim budget adjustment submitted by the Mayor or forwarded by the Council Fiscal Manager and either approve or deny the request.
      b. For an approved request, the Council is responsible for ratifying the adjustment at the next scheduled Council budget opening.
   2. Mayor responsibilities:
      a. It is the Mayor’s responsibility to review each request for an interim budget adjustment and make recommendation for either approval or denial of the request.
   3. Council Fiscal Manager responsibilities:
      a. It is the Council Fiscal Manager’s responsibility to review a request for interim budget adjustment equaling $50,000 or less and either approve the request or forward it to the Council to either approve or deny the request.
      b. It is the Council Fiscal Manager’s responsibility to review a request for interim budget adjustment greater than $50,000 and forward it to the Council to either approve or deny the request.
   4. Agency responsibilities:
      a. It is the Agency’s responsibility to submit an interim budget adjustment request in compliance with this policy, including the required supporting documentation.
      b. For Agencies within independent elected officials’ offices, the request must be signed by the elected official or designee and the Agency’s fiscal manager.
      c. For Agencies under the Mayor’s control, the request must be signed by the division director, department fiscal manager, and department director.

III. Types of Interim Budget Adjustments and required supplemental procedures:
   A. Technical adjustments to correct errors and omissions in the adopted and/or published budget documents:
      1. Technical adjustments include, but are not limited to, corrections of errors or omissions that are identified after the adopted budget documents are published and may include clarification of Council intent with respect to the adopted and/or published budget documents.
      2. Corrections of errors and omissions must be identified on the SL County Budget Request/Adjustment Form by the Agency with detailed justification and complete explanation.
      3. Supporting documentation, which may include applicable budget workshop minutes or financial schedules, must accompany the request.
4. The burden of proof will be on the requesting Agency to demonstrate that an error or omission occurred in the adopted and/or published budget document.

B. **New revenue and respective expenditure appropriation:**
   1. If new revenue becomes available from grants, contracts, endowments, or other sources beyond those included in the adopted budget, the new revenue and any new related expenditures must be approved/appropriated through the interim budget adjustment process before any funds may be expended.
   2. For grants, all annual "match" requirements and ancillary costs (each year for the duration of the grant) that the County will incur if the grant is accepted must be fully disclosed either in the request or on an attached schedule.
   3. Match requirements and ancillary cost information must be presented in a format so that the projected financial impact is clearly set forth each year for the duration of the grant.
   4. If there is an expectation or requirement that the County will continue to fund the new program after the grant is phased out, this information must be fully disclosed on the interim budget adjustment form.
   5. New revenue exceeding $100,000 per annum is considered ‘material new revenue’ and should be reviewed by staff from the Mayor, Council, Auditor, Treasurer, and Recorder’s offices before an interim budget adjustment can be prepared in accordance with this policy. The staff from these offices will consider the nature, amount, timing, certainty of funds and expected performance standards and outcomes related to any new material revenue (See the Revenue Policy section of Policy 1060 Financial Goals and Policies for additional guidance).

C. **Budget adjustments for Declared Emergencies:**
   1. In the event of a Declared Emergency, the Mayor or designee may authorize emergency procurement and reimbursement in accordance with Policy 1410 Emergency Management, the 2018 Emergency Operations Plan, Salt Lake County Code of Ordinance, and Utah Code.
   2. Funds expended on the Declared Emergency are subject to later review by the Mayor and review and approval by the Council in accordance with this policy.
   3. Upon resolution or conclusion of the emergency declaration, whichever occurs first, Agencies must prepare interim budget adjustment requests in accordance with this policy.
   4. Accurate documentation for each expenditure must include a detailed description of the Declared Emergency, the lawfully incurred debt expended in response to the emergency, and additional funds, if any, anticipated to be expended.

D. **Budget adjustments for unforeseen expenditure requirements and exigencies:**
   1. Organizations may encounter unforeseen expenditure requirements during the year that may require immediate action.
   2. It is the expectation of the Mayor and Council that unforeseen expenditures be absorbed within existing budgets.
3. If unforeseen expenditure requirements cannot reasonably be absorbed into an existing budget without adversely impacting mission-critical services, the Agency must submit an interim budget adjustment request in accordance with this policy.

4. The supporting documentation must explain how the unforeseen expenditures will impair the Agency’s service levels.

E. **Budget adjustments for new capital projects:**
   1. It is the expectation of the Mayor and Council that new capital projects be considered only during scheduled budget opening sessions.
   2. If a new capital project is proposed at a time other than the budget opening session, the Agency requesting the project must follow the procedures set forth in Policy 1102 *Capital Project Guidelines* before an interim budget adjustment request can be submitted for review and consideration under this policy.

F. **Budget adjustments for approved capital projects:**
   1. It is the expectation of the Mayor and the Council that approved capital projects be completed within the approved scope of work and budget, including the budgeted contingency.
   2. If an approved capital project requires additional funds beyond the project budget and contingency, the Mayor and Council expect the additional expenditures to be absorbed within existing budgets.
   3. If the additional capital project expenditure requirements cannot reasonably be absorbed into an existing budget, the Agency must demonstrate an adverse impact on mission-critical services if the request is not approved.

G. **Budget adjustments for the transfer of funds between approved capital projects:**
   1. If a capital project is completed for a sum less than the approved project budget amount, an interim budget adjustment request to transfer the unexpended funds to another capital project may be considered.
   2. Requests to transfer under-expended funds from a completed capital project to another capital project within the Agency’s adopted budget may be considered only if:
      a. The capital project receiving the available funds is an approved capital project; and
      b. The transfer is within the same Project Fund; and
      c. The transfer is within the same Agency or Organization.

H. **Budget adjustments for transfers of funds between Appropriation Units:**
   1. A request to transfer funds from one appropriation unit to another within the Agency’s adopted budget will be considered only:
      a. If unforeseen expenditures cannot be absorbed within approved Appropriation Unit budgets; and
b. If the Agency can demonstrate an adverse impact on mission-critical services without the transfer.

IV. References

A. Utah Code §17-36-1 Uniform Fiscal Procedures Act for Counties
B. Utah Code §17-36-27 Emergency Expenditures
C. Utah Code §53-2a-208 Local Emergency Declarations
D. Salt Lake County Code of Ordinances § 2.86.030 Declaration of an Emergency
E. Salt Lake County Code of Ordinances §2.95.020 County Budget Process, Definitions
F. Salt Lake County Code of Ordinances §3.3.15 Revenue & Finance, Definitions
G. Salt Lake Countywide Policies and Procedures: No. 1410 Emergency Management
H. Salt Lake Countywide Policies and Procedures: No. 1102 Capital Project Planning Guidelines
I. Legislative Intent for 2014, No. 11 Restrict Certain Appropriation Unit Shifts, 12/10/2013
J. Legislative Intent for 2017, No. 9 Continue to Restrict Certain Appropriation Unit Shifts, 12/06/2016