

 Lake County Policy	3.6 Budget Execution Policy
	Approved by the County Board on: May 10, 2022

1. Purpose and Intent

- 1.1 The purpose and intent of this policy is to provide overarching, consistent, guidelines and structure that support a strategic, long-term approach to financial management and budget execution through a framework with stability and continuity, clarity of strategic intent, defined boundaries, and mitigation of risks.

2. Background

- 2.1 The Illinois Counties Code (55 ILCS 5/Div.6-1) requires Lake County to adopt an annual budget for the succeeding fiscal year. The contents of the annual budget document include the specifications in 55 ILCS 5/6-1002.

3. Scope

- 3.1 This policy applies to all departments, agencies / commissions, and elected offices whose funding is approved by the Lake County Board, unless certain criteria apply that supersede this requirement as defined in *3.1 Finance Policy, Section 5.3*.

4. Authority

- 4.1 The Authority as stated in *3.1 Finance Policy, Section 4, applies*.

5. Policy

- 5.1 County departments/agencies/offices shall maintain performance metrics on departmental core mission areas and activity and progress on County Board priorities. Measures will illustrate trends, targets and other criteria by which the County's efforts on a given program can be evaluated on a periodic basis. This evaluation is intended to inform organizational awareness and provide a basis for repeating successful activities and reallocating resources away from less successful efforts.
- 5.2 In an effort to continuously evaluate opportunities to provide services more efficiently and cost-effectively, all County departments, agencies, and offices shall evaluate operations (including the need to fill vacant positions) throughout the course of the fiscal year and make the necessary changes to capture budget savings.
- 5.3 If workload levels change or new, significant financial challenges arise during the execution of the annual budget, the County Administrator may require the review of the current year budget and the submittal of options for current year budget reductions.
- 5.4 Only essential positions should be filled. Department/Agency/Office Heads will review each vacant position with regard to each position's importance to the department's mission and any alternative to refilling the vacant position.

- 5.5 Reclassifications of positions that are budget neutral or result in a budget savings (based on the specific position(s) affected, not including vacancy savings) may be considered during the budget year.
- 5.6 Major reorganizations or restructuring (including upward reclassification of positions) of departmental personnel should only be considered during the annual budget development process.
- 5.7 Budget Re-Classifications between Categories (Line Item Transfers)
- 5.7.1 The Financial and Administrative Committee shall have the authority to approve intra-fund line-item transfers in excess of \$100,000 across account class (i.e., personnel services, commodities, contractals, capital outlay, debt service).
- 5.7.2 Intra-fund transfers, across account class of \$100,000 and below, may be approved by the County Administrator, the Chief Financial Officer, or their designees. The transfers authorized through this provision shall be reported to the Financial and Administrative Committee quarterly and included in the year end summary referenced below in 5.7.3.
- 5.7.3 Effective each October 1st and thereafter, the County Administrator, the Chief Financial Officer or their designees shall be authorized to make intra-fund line-item transfers, across account class, deemed necessary for the timely and orderly close-out of the fiscal year. All year-end transfers authorized by this provision shall be reported to the Financial and Administrative Committee at the conclusion of the year end process, in a summarized format by department.
- 5.8 Emergency Appropriations
- 5.8.1 The approved budget may only be amended through an emergency appropriation at a County Board meeting resulting in a modified budget.
- 5.8.2 All applications for emergency appropriations for funds not previously authorized shall be referred to the appropriate standing committee and to the Financial and Administrative Committee by the County Administrator.
- 5.8.3 All emergency appropriations shall require a roll call vote of two-thirds of the County Board Members. (55 ILCS 5/6-1003).
- 5.8.4 A specific emergency appropriation is a “carryover.”
- 5.8.1.4 The unexpended portion of projects that were not completed in one fiscal year may be requested to be “carried over” to the next fiscal year.
- 5.8.2.4 Carry-overs of appropriations previously authorized shall be referred to the Financial and Administrative Committee.
- 5.8.3.4 Accounts that may be designated for carryover by the County Board, County Administrator, and/or Chief Financial Officer. Such accounts may include long term capital needs where money may be accumulated for multiple years until needed for projects as approved by the County Board. Another reason for emergency appropriation is new funding that is received after the budget is passed.
- 5.8.5 Medicaid Match. Due to the nature of the receipt of the Medicaid Match MCO revenues, requests for appropriation will occur through the Emergency

Appropriations process or, for carry over MCO revenue, the annual CIP and budget process.

~~5.9—Overspending. Departments/agencies/offices who require a line item transfer from General Operating Expense contingency or a budget reclassification because of overspending in one fiscal year may be required to reduce their subsequent year budget by the amount paid from contingency funding through a reduction in the current year budget. For example, a department that required a \$9,000 transfer from contingency at the end of FY22 to cover personnel overspending may have their FY23 personnel budget reduced by \$9,000 to recapture the FY22 budget overage.~~

~~5.105.9~~ Policy review and update shall be in accordance with 3.1 Finance Policy.

6. Severability

6.1 If any section or provision of this document should be held invalid by operation of law, none of the remainder shall be affected.

7. Non-Discrimination

7.1 Lake County prohibits the discriminatory application, implementation, or enforcement of any provision of this policy on the basis of race, color, sex, age, religion, disability, national origin, ancestry, sexual orientation, marital status, parental status, military discharge status, source of income, gender identity, housing status, or any other protected category established by law, statute, or ordinance.

Policy History			
Version	Date Adopted	Legistar Item #	Notes
Original	May 10, 2022	22-0675	--
<u>Amended</u>		<u>25-0484</u>	<u>Various changes</u>