



## Arapahoe County Finance Department

# Budget Preparation and Control Policy

Policy No.: 3.1

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### I. Authority:

The Board of County Commissioners has exclusive power to adopt the annual budget for the operation of county government, including all offices, departments, boards, commissions or other spending agencies of the county government, and other agencies which are funded in whole or part by county appropriations, per statute. This includes the approval of financial policies which establish and direct the budget process of Arapahoe County. The Finance Department is responsible for carrying out the policy directives of the Board of County Commissioners and establishing the necessary procedures to do so.

### II. Purpose and Scope:

This policy guides the requirements for the annual budget development process for all funds, departments, and elected offices of the County. Colorado statute requires local governments to prepare and adopt an annual budget, and it also specifies the information that the budget is required to include (29-1-101 through 115, C.R.S.). The Board of County Commissioners is responsible for the annual adoption and appropriation of the budget in accordance with these statutory requirements. The scope of this policy extends to all funds, elected offices, and departments for the County and to the related districts and authorities under the purview of the Board of County Commissioners to include the Law Enforcement Authority, Recreation District, and the Arapahoe County Water and Wastewater Public Improvement District.

### III. Definitions:

- A. Adopted Budget Resolutions: The set of resolutions approved by the Board of County Commissioners that adopts the revenues and expenditures and appropriates funds for the budget year including resolutions certifying applicable mill levies.
- B. Appropriation: The authorization by ordinance or resolution of a spending limit for expenditures and obligations for specific purposes.
- C. Balanced Budget: Per statute, a budget cannot provide for expenditures in excess of available revenues and beginning fund balances.
- D. Budget: The complete, estimated financial plan of the County.
- E. Capital Improvement Program: The proposed plan for capital projects that is developed and updated to reflect the estimated amount of capital expenditures to be incurred each year over a five-year period as well as the anticipated revenues to finance those capital projects.
- F. Executive Budget Committee: A committee that is appointed and tasked with the detailed review of the annual requested budget, supplemental budget requests, the annual reappropriation of funds, and other financial matters as identified by the Board of County Commissioners.

- G. Expenditure: Any use of financial resources for the provision or acquisition of goods and services for operations, debt service, capital outlay, transfers, or other financial uses.
- H. Fiscal Year: For the County, the period commencing January 1<sup>st</sup> and ending December 31<sup>st</sup>.
- I. Full Accrual Basis of Accounting: The basis of accounting under which revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, notwithstanding that the receipt of revenue or the payment of the expense may take place in whole or in part, in another accounting period.
- J. Fund: A fiscal and accounting entity with a self-balancing set of accounts in which cash and other financial resources, all related liabilities and residual equities, or balances, and changes therein are recorded and segregated to carry on specific activities or attain certain objectives in accordance with special regulations, restrictions, or limitations.
- K. Fund Balance: The balance of total resources available for subsequent years' budgets consistent with the basis of accounting elected for budget purposes.
- L. Level of Control: The lowest level of budgetary detail at which a department or elected office may reassign resources without the approval of the Board of County Commissioners through a supplemental appropriation resolution.
- M. Local Government Budget Law: The Colorado Revised Statutes (Section 29-1-101 through 29-1-115, C.R.S.) that provide the budgetary requirements for local governments.
- N. Modified Accrual Basis of Accounting: Basis of accounting that recognizes revenues when they become available and measurable and, with a few exceptions, recognizes expenditures when liabilities are incurred.
- O. Operating Expenditure: Expenditures for the routine day-to-day operations that provide basic services such as personnel, supplies, contract services and other recurring items but that excludes capital costs and expenditures made for a one-time purpose.
- P. Operating Revenue: Revenues from regular, recurring sources such as taxes, fees, fines, permits, charges for services and similar sources that are reasonably expected to continue and excludes proceeds from long-term debt and other one-time non-recurring financial sources.
- Q. Reappropriation: The re-appropriation of funds through a supplemental appropriation in the current fiscal year to allow for further expenditures when planned expenditures of an existing appropriation cannot be completed by the end of the prior fiscal year for that same purpose.
- R. Recommended Budget: The proposed preliminary budget for the ensuing fiscal year that is presented to the Board of County Commissioners prior to October 15<sup>th</sup> each year.
- S. Revenue: A resource available to finance expenditures.
- T. Structurally Balanced Budget: A budget where ongoing operating revenues meet or exceed ongoing operating expenditures.
- U. Supplemental Appropriation: An appropriation when there is a need to transfer budgeted and appropriated monies from one or more spending agencies in a fund to one or more spending agencies in another fund, or to transfer budgeted and appropriated monies between spending agencies within a fund, or if, during the fiscal

year, the governing body or any spending agency of such local government received unanticipated revenue or revenues not assured at the time of the adoption of the budget.

#### **IV. Policy:**

The following sections provide the policies for the preparation, review, and adoption of the County's annual budget along with policies regarding the basis of accounting for budget purposes, budgetary control and monitoring, and the responsibilities of the key parties involved in the budget process.

##### **A. Basis of Budgeting**

1. The basis of accounting refers to the specific time at which revenues and expenditures are recognized in accounts and reported in financial statements.
2. Basis of Accounting
  - a) Governmental Funds: Use the modified accrual basis of accounting
  - b) Proprietary Funds: Use the full accrual basis of accounting
3. Budgetary Basis of Accounting
  - a) The main difference between the basis of accounting used for accounting purposes and the basis of accounting for budget purposes is that the budgets for the proprietary funds (the Central Services Fund, the Flexible Benefit Fund, the Self Insurance Dental Fund, and the Worker's Compensation Fund) are prepared on a cash basis.
  - b) According to the cash basis of accounting, capital expenditures and the redemption of bonds and leases are recorded as expenditures and depreciation and amortization costs are not budgeted since these costs are non-cash transactions.
  - c) The budget for all other funds is prepared on a modified accrual basis.

##### **B. Budgetary Control**

1. Statutory Requirements
  - a) Pursuant to Section 29-1-110, C.R.S., a department or elected office may not expend, or contract to expend, monies in excess of the amount appropriated. This restriction applies to both the expenditures of monies by fund and by department or elected office depending upon how the Board appropriates funds in the annual adoption resolutions.
2. Level of Control
  - a) The budgetary level of control will correspond to the appropriations made by the Board of County Commissioners by fund and department/elected office within the annual adopted budget resolutions.
  - b) Within the General Fund:
    - (1) At the appropriation amount for the department/elected office.
  - c) Funds other than the General Fund:
    - (1) At the appropriation amount for the fund.
  - d) Responsibility for budget and appropriations:

- (1) Pursuant to statute, the Board of County Commissioners is responsible for ensuring that the annual appropriation is not exceeded.
- (2) The Board of County Commissioners delegates to department directors and elected officials the authority to be responsible for their budgets and appropriations as defined by the above limits on the level of control and appropriations.
- (3) As the budget is not appropriated by line item, departments and elected offices are permitted to make adjustments and modifications to their budget within these levels of control to the extent that it does not violate any other policy or procedure or require a supplemental appropriation per the Budget Amendment policy.

3. Monitoring of County Budgetary and Fiscal Condition

- a) It shall be the policy of the County to continuously monitor the budget and fiscal status in order to assess financial condition and demonstrate fiscal responsibility.
- b) The Budget Division shall be responsible for and coordinate periodic reviews of the budget, actual revenue collections and expenditures, and identification of possible budget amendments per the Budget Amendment policy with specific regard to the quarterly budget reviews.
- c) It is the responsibility of the departments and elected offices to review and analyze revenue and expenditure data to identify trends and variables that might affect their operations or the ability to remain within their appropriation limit.

C. Balanced Budget

1. Statutory Definition

- a) Per Section 29-1-103, C.R.S., no local government budget shall provide for expenditures in excess of available revenues and beginning fund balances.

2. Structurally Balanced Budget

- a) It is the desire of the Board of County Commissioners to ensure that the General Fund operating budget is structurally balanced on adoption.
- b) A structurally balanced budget is a budget where ongoing operating revenues meet or exceed ongoing operating expenditures.

D. Budget Calendar

1. Fiscal Year - The County operates on an annual fiscal year of January 1<sup>st</sup> through December 31<sup>st</sup>.
2. Deadline for the Recommended Budget:
  - a) The Recommended Budget shall be submitted to the Board of County Commissioners no later than October 15 each year.
  - b) The Recommended Budget submitted shall meet or exceed the statutory requirements for the budget estimates in Section 29-1-105, C.R.S.
3. Deadline for the Adopted Budget:

- a) The budget for the ensuing fiscal year shall be adopted and appropriated no later than December 15 each year per the requirements of Section 29-1-108, C.R.S. and Section 39-5-128, C.R.S.

4. Detailed Calendar for Budget Development Process and Procedures

- a) At the direction of the Board of County Commissioners, the Budget Division of the Finance Department will prepare and distribute a detailed calendar, guidance, and instructions for the development of the upcoming fiscal year's budget.
- b) The specific processes and dates for the submission and review of the budget will follow applicable Board approved policies and the procedures developed by the Budget Division.

E. Development of the Budget

1. Statutory and Constitutional Requirements

- a) Colorado statute requires local governments to prepare and adopt an annual budget, and it also specifies the information that the budget is required to include (see Sections 29-1-101 through 115, C.R.S. also known as the Local Government Budget Law of Colorado).
- b) The Local Government Budget Law also requires that counties annually prepare and submit a balanced budget. Pursuant to Section 29-1-103 (2), C.R.S., a balanced budget is one in which the expenditures do not exceed the combination of available revenue and beginning fund balances.
- c) The Local Government Budget Law requires local governments to prepare and adopt an annual budget that includes:
  - (1) A written budget message that describes the important features of the proposed budget and a description of the services to be delivered during the budget year;
  - (2) All proposed expenditures for administration, operations, maintenance, debt service, and capital projects for the budget year;
  - (3) Anticipated revenues, including the revenue source;
  - (4) Estimated beginning and ending fund balances;
  - (5) Actual expenditures for the prior fiscal year and estimates projected through the end of the current fiscal year;
  - (6) Expenditures classified by object and the revenues by source; and
  - (7) The amount to be expended during the upcoming fiscal year for all capital leases, including real property and non-property, as well as the total maximum payment liability for such leases.
- d) The budget is a fiscal plan for the coming year, and an appropriation is the legal authority to spend the funds.
- e) The Board of County Commissioners appropriates money either by fund source or by the department or elected office within a fund (Section 29-1-108 (2), C.R.S.).
- f) The Local Government Budget Law requires the proposed budget to be submitted to the Board by October 15<sup>th</sup> of each year.

- g) Taxpayer's Bill of Rights:
  - (1) The Taxpayer's Bill of Rights (TABOR), which is included in Article X, Section 20 of the Colorado Constitution, has a significant impact on a local government's budgeting process and requirements.
  - (2) It limits the amount of property tax revenue that the County may collect, and also requires that a certain percentage of fund balance must be dedicated for an emergency reserve.
  - (3) TABOR also prohibits the Board of County Commissioners from increasing the mill levy or imposing any other form of tax without voter approval.
  - (4) A local government may obtain voter approval to exempt itself from certain TABOR restrictions.
  - (5) Arapahoe County is exempt from TABOR for all non-tax revenues per a 1995 voter approved ballot measure.
  - (6) Arapahoe County voters also exempted the Open Space Sales and Use Tax as well as the Arapahoe Law Enforcement Authority from the limitations of TABOR as well.
- h) The contents of the budget and budget format shall be in accordance with applicable Constitutional and statutory requirements.

## 2. Budget Guidance

- a) The Board of County Commissioners, with the assistance of the Executive Budget Committee, shall develop the budget and policy priorities for the upcoming fiscal year and include them in the budget guidance.
- b) The budget guidance will include the County goals, policy and performance objectives of the Board, and may also include specific requests or requirements that are to be incorporated in all budget submissions.
- c) This information is compiled in a memorandum that is distributed to all departments and elected offices prior to the budget submission period.
- d) The memo shall serve as direction and guidance for how a department or elected office should modify its forecasting and planning and prepare their budget request.

## 3. Budget Process and Procedures

- a) The Board of County Commissioners, with the assistance of the Executive Budget Committee, shall determine the specific process for the development of the annual budget each year.
- b) Communication of the specific budget process to all of the departments and elected offices involved in the budget process is delegated by the Board of County Commissioners to the Executive Budget Committee and/or the Budget Division of the Finance Department.
- c) It shall be the responsibility of the Executive Budget Committee and the Budget Division to develop and communicate relevant procedures for the development of the annual budget.

- d) Elected offices and departments shall develop and submit their budget requests and information in accordance with the applicable budget development process and procedures set forth for that budget year.

F. Review and Adoption of the Budget

1. Following the submission of department and elected office budget requests, the Budget Division will review and consolidate all submissions and prepare materials for the Executive Budget Committee for their review.
2. Executive Budget Committee Review
  - a) Reviews all budget requests per the Executive Budget Committee policy.
  - b) Meet with departments and elected offices to discuss their budget requests prior to developing the recommended budget.
  - c) Develop the annual recommended budget for review by the Board of County Commissioners.
3. Recommended Budget
  - a) Shall be presented to the Board of County Commissioners no later than October 15<sup>th</sup>.
  - b) Shall include the following information, per Section 29-1-105, C.R.S.:
    - (1) Budget estimates of expenditure requirements and estimated revenues for the budget year,
    - (2) Actual figures for the last completed fiscal year,
    - (3) Estimated figures through the end of the current fiscal year,
    - (4) Explanatory schedule or statement classifying the expenditures by object and the revenues by source, and
    - (5) The amount to be expended during the upcoming fiscal year for all capital leases, including real property and non-property, as well as the total maximum payment liability for such leases.
  - c) The recommended budget shall include information on whether the General Fund operating budget is structurally balanced and, if it is not, provide an explanation and the reasoning for why it is not.
  - d) The recommended budget should also include the recommendations of the Executive Budget Committee for the budget year with information regarding the budget requests that were recommended for adoption and those that were not.
4. Adoption and Appropriation of the Budget
  - a) Following the submission of the recommended budget, the Board of County Commissioners shall cause to be published a notice of when the budget will be considered for adoption, where a copy of the budget will be available for inspection, and other requirements pursuant to Section 29-1-106, C.R.S.
  - b) The Board of County Commissioners may review and direct the modification of the recommended budget prior to consideration for adoption.
  - c) In the event that the Board of County Commissioners is considering the adoption of a budget that will include a General Fund budget that is not structurally balanced per this policy, this fact shall be

communicated to the Board prior to the date of the adoption of the budget and an explanation of the reasoning provided prior to any vote on adoption.

- d) The adoption of the budget shall be guided by the requirements of Section 29-1-108, C.R.S. and occur no later than December 15<sup>th</sup> each year if a mill levy is to be certified.
  - e) On the day of adoption, if the General Fund operating budget is not structurally balanced per this policy, the Board shall take a vote to indicate their awareness of that fact and the reasoning for such a budget prior to voting on its adoption.
  - f) The adoption of the budget, the appropriation of funds, and certification of mill levy shall be effective upon adoption by the Board of County Commissioners and available for department and elected office spending on January 1<sup>st</sup> of that budget year.
  - g) All unexpended appropriations expire at the end of the fiscal year.
5. Amendments to the Budget
- a) If, following the adoption of the budget, there is a need to amend the adopted budget, such an amendment shall follow the approved Budget Amendment policy and procedures set forth by the Budget Division.

#### G. Responsibilities

- 1. Board of County Commissioners
  - a) Develop, with the assistance of the Executive Budget Committee, the budget and policy priorities for the upcoming fiscal year and include them in the budget guidance.
  - b) Determine, with the assistance of the Executive Budget Committee, the specific process for the development of the annual budget each year and delegate the authority to the Executive Budget Committee and Budget Division to implement procedures to carry out such a process.
  - c) Publish notice of when the budget will be considered for adoption at a public hearing, where a copy of the budget will be available for inspection, and other requirements pursuant to Section 29-1-106, C.R.S.
  - d) Review and modify the recommended budget in preparation for adoption and appropriation.
  - e) Adopt and appropriate the annual operating and capital budget for the County and applicable district and authorities prior to December 15<sup>th</sup> that is in compliance with all relevant budgetary statutory and Constitutional requirements.
- 2. Executive Budget Committee
  - a) Assist the Board of County Commissioners with the development and distribution of the annual budget guidance.
  - b) Review and recommend to the Board of County Commissioners the proposed operating and capital budget for the ensuing fiscal year per the responsibilities outlined in the Executive Budget Committee policy.
- 3. Departments and Elected Offices



- a) Consider prior trends in revenue collections and expenditures and forecast the revenue collections and expenditure needs for the upcoming budget year,
- b) Comply with the approved policies and established guidelines, instructions, and procedures to prepare and submit their annual budget requests,
- c) Following budget adoption, to review and analyze revenue and expenditure data to identify trends and variables that might affect their operations or the ability to remain within their appropriation limit.
- d) Make necessary adjustments to their budget within the applicable level of budgetary control and/or request budget amendments or supplemental appropriations through the appropriate policy and process.

#### 4. Budget Division

- a) Per Board of County Commissioner direction, lead the process and develop procedures for the development of the County's annual budget,
- b) Assisting departments and elected offices in the preparation and submission of their budget requests,
- c) Compile, review, and analyze all budget requests into the necessary format, materials, and documents for review by the Executive Budget Committee, Board of County Commissioners, and others,
- d) Assist the Executive Budget Committee and the Board of County Commissioners with review and analysis of the County's fiscal condition and budget requests,
- e) Publish and present the recommended and adopted budgets for required public meetings as well as prepare adoption and appropriation resolutions,
- f) Ensure the contents of the budget and budget format are in accordance with applicable Constitutional and statutory requirements,
- g) Upon adoption and appropriation of the budget, notify and submit the budget to the Division of Local Government in the Department of Local Affairs, and
- h) Provide any other assistance or analysis regarding the County's annual budget as directed by the Board of County Commissioners and/or Executive Budget Committee.
- i) Continuously monitor the budget and fiscal status in order to assess financial condition and demonstrate fiscal responsibility.
- j) Coordinate periodic reviews of the budget, actual revenue collections and expenditures, and identification of possible budget amendments per the Budget Amendment policy with specific regard to the quarterly budget reviews.

#### **V. Related Documents and Procedures:**

- A. Budget Development Procedures
- B. Colorado Revised Statutes

1. Local Government Budget Law: Section 29-1-101 to 29-1-115, C.R.S.
  2. Changes to Budget: Section 29-1-109, C.R.S.
  3. Expenditures not to Exceed Appropriations: Section 29-1-110 C.R.S.
  4. Powers of the Board: Section 30-11-107, C.R.S.
- C. Executive Budget Committee Policy
- D. Budget Amendment Policy
- E. Financial Reserves Policy
- F. Capital Improvement Program Policy

*This policy supersedes and replaces the Budget Preparation and Planning Policy 3.1, Budgetary Fiscal Controls Policy 3.2, and Budgetary Fiscal Implementation Policy 3.3, all dated 10/98.*

## Staffing Authorization Policy

### I. Authority:

The Board of County Commissioners has exclusive power to adopt the annual budget for the operation of county government, including all offices, departments, boards, commissions or other spending agencies of the county government, and other agencies which are funded in whole or part by county appropriations, per statute. For authorized staffing levels, such authority is also derived from the annual budget adoption resolution. This authority includes the approval of financial policies which establish and direct the budget process of Arapahoe County. The Finance Department is responsible for carrying out the policy directives of the Board of County Commissioners and establishing the necessary procedures to do so.

### II. Purpose and Scope:

The number of authorized positions is a major factor in determining the County's annual budget, specifically personnel costs and facility costs to house them. The County's annual budget adoption resolution authorizes a specific number of full-time equivalent (FTE) positions by department or elected office, as well as by fund.

The Board of County Commissioners must formally approve any changes to a department's or elected office's authorized number of FTE or the number of FTE for any given fund. Therefore, any changes to a department's or elected office's staffing level must be submitted during the annual budget development cycle or through the quarterly supplemental budget amendment process.

The scope of this policy includes requests to change the authorized staffing level that would change the authorized staffing allocations laid out in the budget adoption resolutions. Such a change includes both an increase and decrease to an authorized staffing level.

### III. Definitions:

- A. Authorized Position: A position (job) authorized by the Board of County Commissioners as part of the annual adopted budget.
- B. Authorized Staffing Level: The total number of positions authorized by the Board of County Commissioners as part of the annual adopted budget by department and elected office within each fund.
- C. Full-Time Equivalent (FTE): The value based on the number of hours per week an employee works. An employee who works 40 hours per week is considered as one (1) full-time equivalent, or FTE, whereas an employee who works 20 hours per week is 0.50 FTE, or one-half of one FTE.
- D. Full-Time Staff: A full-time employee is one who is assigned to a position which requires 40 hours of work per week.

- E. Fund: A fiscal and accounting entity with a self-balancing set of accounts in which cash and other financial resources, all related liabilities and residual equities, or balances, and changes therein are recorded and segregated to carry on specific activities or attain certain objectives in accordance with special regulations, restrictions, or limitations.
- F. Part-Time Staff: A part-time employee is one who is assigned to a position which regularly works fewer than 40 hours per week.
- G. Temporary Staff: A temporary employee is assigned work for a temporary period of time or the length of a clearly defined project, and is paid on an hourly basis.

#### **IV. Policy:**

The County's annual budget adoption resolution authorizes a specific number of full-time equivalent (FTE) positions by department or elected office, as well as by fund. The total authorized staffing level includes all regular part- and full-time positions within the County. Any change to the authorized staffing level, whether it is an increase, decrease, or transfer between departments/elected offices or funds, requires formal approval by the Board of County Commissioners and shall follow the policies outlined below.

##### **A. Changes During the Budget Development Process**

1. It is preferred that changes in the authorized staffing level occur during the annual budget development process and are submitted as part of the department's or elected office's budget request for the upcoming year.
2. This allows the adopted budget for the upcoming fiscal year to plan for and reflect the cost, or savings, from changes to staffing levels.
3. Requests for changes in the authorized staffing level shall be reviewed with the Human Resources Department to evaluate and/or create the position, job code, position description, and classification.
  - a) Reductions or transfers of authorized staff may not require this step.
4. The submission of the request shall follow the applicable policies and procedures established for the development of the annual budget.
5. The change in the authorized staffing level for a department or elected office will be effective as of the beginning of the fiscal year following the adoption of the annual budget by the Board of County Commissioners.

##### **B. Changes Outside of the Budget Development Process**

1. Any change that occurs outside of the annual budget development process must be submitted as a budget amendment per the applicable policy and process.
2. The request includes the change in authorized staffing level and the applicable increase or decrease in costs related to the request.
3. Requests for changes in the authorized staffing level shall be reviewed with the Human Resources Department to evaluate and/or create the position, job code, position description, and classification.
  - a) Reductions or transfers of authorized staff may not require this step.
4. The change in the authorized staffing level for a department or elected office will be effective as of the date of the adoption of the budget amendment resolution by the Board of County Commissioners.

C. Temporary Positions

1. Temporary positions are not covered under this policy as they are not included in the authorized staffing level of the department or elected office.
2. Funding for temporary salaries may be included in the budget for the department or elected office and used for this purpose.
3. The department or elected office should contact the Human Resources Department regarding the hiring of temporary employees.

D. Grant Funded Positions

1. Grant funded positions are included in the number of the department or elected office's authorized staffing level and shall follow the policy and processes for authorized staffing.
2. Once approved, a grant-funded position may be included in the budget only as long as the grant funds continue.
3. This does not apply to temporary grant-funded employees with benefits as, even with the inclusion of benefits, this type of employee is considered a temporary employee and not an FTE, for the purposes of budgeting and the authorized staffing level.

E. Appropriations for Authorized Staffing Salaries and Benefits

1. The Budget Division applies centralized calculations during the budget development process based on the actual current staffing level of the department or elected office.
2. Departments and elected offices are not permitted to transfer funds to or from salary and benefit accounts for FTE in their authorized staffing level to other expenditure categories without approval from the Budget Division.

F. Exceptions

1. If there is a change in staffing that does not impact a department or elected office's total appropriation or appropriation by fund, and it does not change the total number of authorized FTE, the Department of Human Resources shall have the discretion to approve such a change without seeking formal Board approval.

G. Responsibilities

1. Budget Division

- a) Track and review the County's authorized staffing level and identify discrepancies between the data and the authorized staffing level approved by Board of County Commissioner resolution.
- b) Work with departments and elected offices and the Human Resources Department to resolve any identified discrepancies in the authorized staffing level.
- c) Review requests for authorized staffing level positions to determine the completeness and verify the fiscal impact of the request.
- d) Include requests in materials submitted for Executive Budget Committee and Board of County Commissioner review in both the formal budget development and amendment process.
- e) Inform the requesting department or elected office and the Human Resources Department of changes in the authorized staffing level adopted by resolutions of the Board of County Commissioners.

2. Departments and Elected Offices

- a) Monitor and submit the appropriate request to change the authorized staffing level.
  - b) It is the department's or elected office's responsibility to communicate with the Human Resources Department and the Budget Division about proposed changes in the authorized staffing level to ensure that the correct process is followed and that any changes are included in the appropriate budget process.
  - c) To notify the Budget Division if there is a change to a grant or a grant's revenue, so that staff can begin the process to adjust the staffing authorization accordingly.
3. Human Resources Department
- a) To assist departments and elected offices with the review of requests for changes in the authorized staffing level and to evaluate the need to create or change the position, job code, position description, and classification.

**V. Related Documents and Procedures:**

- A. Budget Adoption Resolutions
- B. Budget Amendment Policy
- C. Colorado Revised Statutes
  - 1. Local Government Budget Law: Section 29-1-101 to 29-1-115, C.R.S.
  - 2. Powers of the Board: Section 30-11-107, C.R.S.

*This policy supersedes and replaces the Staffing Authorization Policy 3.6 dated 10/98.*

## Budget Amendment Policy

### I. Authority:

The Board of County Commissioners has exclusive power to adopt the annual budget for the operation of county government, including all offices, departments, boards, commissions or other spending agencies of the county government, and other agencies which are funded in whole or part by county appropriations, per statute. This includes the approval of financial policies which establish and direct the budget process of Arapahoe County. The Finance Department is responsible for carrying out the policy directives of the Board of County Commissioners and establishing the necessary procedures to do so.

### II. Purpose and Scope:

This policy guides the amendment of the County budget and appropriations. Pursuant to Section 29-1-109, C.R.S., if, after the adoption of the annual budget and appropriation, the Board of County Commissioners deems it necessary, it may transfer appropriated monies between funds or spending agencies within a fund, as determined by the original appropriation level, or increase the appropriation if unanticipated revenues, other than property taxes, are received by enacting a supplemental budget and appropriation. This policy also outlines how, after adoption of the annual budget, expenditures and revenues will be reviewed and budget amendments considered.

This policy is applicable to all funds and all departments and elected offices. The budget is appropriated in total amounts by fund and, within the General Fund, by department and elected office. Funds may not be transferred between departments or elected offices within the General Fund or between funds without Board consideration and approval by resolution at a public hearing consistent with Section 29-1-106, C.R.S.

### III. Definitions:

- A. Appropriation: The authorization by ordinance or resolution of a spending limit for expenditures and obligations for specific purposes.
- B. Authorized Staffing Level: The total number of positions authorized by the Board of County Commissioners as part of the annual adopted budget by department and elected office within each fund.
- C. Budget: The financial plan for the operation of a program, completion of a project, or the entire organization for the year.
- D. Budget Amendment: Any requested change to the existing revenue or expenditure budget of a department, elected office, or fund regardless of whether such change requires a supplemental appropriation request.
- E. Capital Asset: Equipment, computer equipment, computer software, vehicles and furniture with a unit cost of \$5,000 or more. Does not include capital projects.

- F. Fund: A fiscal and accounting entity with a self-balancing set of accounts in which cash and other financial resources, all related liabilities and residual equities, or balances, and changes therein are recorded and segregated to carry on specific activities or attain certain objectives in accordance with special regulations, restrictions, or limitations.
- G. Fiscal Year: For the County, the period commencing January 1<sup>st</sup> and ending December 31<sup>st</sup>.
- H. Supplemental appropriation: An appropriation when there is a need to transfer budgeted and appropriated monies from one or more spending agencies in a fund to one or more spending agencies in another fund, or to transfer budgeted and appropriated monies between spending agencies within a fund, or if, during the fiscal year, the governing body or any spending agency of such local government received unanticipated revenue or revenues not assured at the time of the adoption of the budget.

#### IV. Policy:

An amendment to the budget and appropriations may be necessary due to unanticipated situations that may occur after the adoption of the budget when combined with the statutory requirement that a department or elected office may not expend, or contract to expend, monies in excess of the amount appropriated.

##### A. Quarterly Budget Reviews

1. The Budget Division of the Finance Department shall develop and implement the process and procedures to develop a quarterly budget review to be presented to the Board of County Commissioners at the end of each quarter of the County's fiscal year.
2. Purpose of the Quarterly Budget Reviews:
  - a) Provides an opportunity for the Executive Budget Committee and the Board to review and understand the County's fiscal condition on a periodic basis.
  - b) Provides the context in which to consider upcoming budget, policy, and program decisions.
  - c) Provides the timeframe during which the Board of County Commissioners considers requested budget amendments, supplemental appropriation requests or changes in the authorized staffing level to the current adopted budget.
3. Content of Quarterly Budget Reviews:
  - a) Quarterly budget reviews shall provide updated information to the Board of County Commissioners, budget staff, and the public about the County's fiscal status, current economic trends and indicators, and revenue and expenditure projections through the end of the current fiscal year.
  - b) Provides a five-year financial projections for key County funds, which are based on revenue and expenditure trend assumptions and projections provided by the Budget Division and departments and elected offices.



- c) Information regarding supplemental appropriation requests and requests to change the authorized staffing level for departments and elected offices.
  - d) Recommendations of the Executive Budget Committee on matters applicable to the fiscal status, budget trends, and the supplemental appropriation and authorized staffing requests submitted by departments and elected offices.
- 4. The information detailed in Section 3 above, shall be presented to the Board of County Commissioners in the following manner:
  - a) The Budget Division will schedule a study session to present the quarterly budget review to the Board of County Commissioners and all other interested parties.
  - b) Following the presentation of the quarterly budget review at a study session, the Budget Division will schedule a public hearing for the Board of County Commissioners to consider adoption of supplemental appropriation resolutions and publish such resolutions prior to the public hearing per Section 29-1-106, C.R.S.
- B. Budget Amendments that Require Supplemental Appropriation Requests
  - 1. Increases or decreases to the appropriation of a department, elected office or fund for which a specific appropriation was adopted in the annual budget resolution.
  - 2. Transfers between departments and elected offices or between funds for which a specific appropriation was adopted in the annual budget resolution.
  - 3. Increases or decreases to the authorized staffing level.
  - 4. Recognition of unanticipated revenue.
  - 5. Requests to purchase capital assets.
  - 6. Reauthorization of prior year grant funding on a reimbursement basis.
- C. Budget Amendments that Do Not Require a Supplemental Appropriation Request:
  - 1. Transfers between line items within the appropriation of a department, elected office or fund for which a specific appropriation was adopted in the annual budget resolution.
  - 2. Changes in the authorized staffing that does not change the overall authorized staffing level for the department or elected office within the same fund.
- D. Responsibilities:
  - 1. Departments and Elected Offices
    - a) To perform thorough reviews and develop projections for their respective budgets and spending to determine if there are sufficient appropriations to allow for a proposed expenditure or encumbrance commitment.
    - b) To notify the Budget Division of the receipt of any unanticipated revenues or grants awarded.
    - c) To prepare and submit supplemental appropriation requests, if there is a need for a budget amendment that fits the requirements of Section B – Budget Amendments that Require Supplemental Appropriation Requests above.

- d) Provide adequate information and justification for supplemental appropriation requests to the Budget Division, Executive Budget Committee, and Board of County Commissioners to facilitate the consideration of the request.
  - e) Attend the quarterly budget review study sessions and public hearings as needed.
- 2. Budget Division
  - a) Assisting departments and elected offices in the preparation of quarterly financial projections, budget amendments and supplemental appropriation requests,
  - b) Compiling and analyzing all such supplemental appropriation requests into the necessary materials and documents for review.
  - c) Assist the Executive Budget Committee and the Board of County Commissioners with review and analysis of the financial condition of the County and any supplemental appropriation requests.
  - d) Prepare and present the quarterly budget review at a study session.
  - e) Prepare supplemental appropriation resolutions.
  - f) Publish the supplemental appropriation requests prior to and present the information during the public hearing.
  - g) Upon approval by the Board of County Commissioners, make the adopted changes to the appropriations and authorized staffing levels for the affected departments and elected offices.
  - h) File copies of the adopted resolutions with the Division of Local Government in the Department of Local Affairs per Section 29-1-109, C.R.S.
- 3. Executive Budget Committee
  - a) Review the quarterly budget review and supplemental appropriation request information provided by the Budget Division.
  - b) Provide recommendations to the Board of County Commissioners per the Executive Budget Committee policy.
- 4. Board of County Commissioners
  - a) Review the quarterly budget review and supplemental appropriation request information provided by the Budget Division.
  - b) Review the recommendations of the Executive Budget Committee.
  - c) Consider adoption of the supplemental appropriation resolutions presented during the public hearing following each quarterly budget review.

## **V. Related Documents and Procedures:**

- A. Annual Budget Adoption Resolutions
- B. Colorado Revised Statutes
  - 1. Local Government Budget Law: Section 29-1-101 to 29-1-115, C.R.S.
  - 2. Changes to Budget: Section 29-1-109, C.R.S.
  - 3. Expenditures not to Exceed Appropriations: Section 29-1-110 C.R.S.
  - 4. Powers of the Board: Section 30-11-107, C.R.S.
- C. Executive Budget Committee Policy

D. Budget Amendment Procedures

*This policy supersedes and replaces Policy 3.4 dated 10/98.*



**Arapahoe County  
Finance Department  
Purchasing Division**

## **Purchasing Policy**

Policy No: 4.1

Version: 2.0

Resolution No.: 180600

Effective Date: 10/16/2018

### **I. Authority**

The Board of County Commissioners (BoCC) is the policy board responsible for setting purchasing policies and awarding selected contracts. (See Colorado Revised Statutes § 30-11-101(1)(d) and §30-11-107(1)(aa), as amended). In adopting this Policy the BoCC is granting the authority and responsibility for developing and administering purchasing procedures in alignment with these policies to the Finance Director. The Finance Director may further delegate this authority and responsibility to the Purchasing Manager.

Only those persons specifically authorized by the Board of County Commissioners via Resolution may award and execute contracts or purchase orders. All contracts must be approved through the County's contract review process prior to execution.

All internal disputes involving these policies shall be attempted to be resolved first by the Purchasing Manager in consultation with the County Attorney's Office. If no resolution is reached at this level, the dispute shall be resolved by the Finance Director. If the Finance Director is unable to resolve the dispute, it shall be presented to the BoCC for resolution. This section shall not govern disputes between a vendor and the County; such disputes shall be resolved in the manner set forth in the solicitation documents.

### **II. Purpose and Scope**

These purchasing policies establish and implement effective and efficient purchasing practices for use by all Arapahoe County offices and departments for the purpose of:

- A. Obtaining the best value and timeliness in the use of County funds for the purchasing of goods and services,
- B. Ensuring fair and equitable treatment of all businesses who wish to conduct business with Arapahoe County,
- C. Provide standardized policies for employees to follow in the purchase of goods and services, and
- D. Ensuring Arapahoe County compliance with all relevant federal and state laws, rules and regulations regarding purchasing activities.

If there is a conflict between these policies and any federal and state laws, rules and regulations, the most restrictive that complies with federal and state laws, rules and regulations shall govern.

These policies shall serve as the basis for Arapahoe County's purchasing procedures to be determined and administered by the Finance Department's Purchasing Division. Any purchasing action not covered by this Policy must be approved by the Purchasing Manager or Finance Director.

These policies are solely for the internal use of the County. They are not intended to, and do not in any way, create legal obligations that are enforceable by third parties. These policies may be amended at any time by the Board of County Commissioners, with or without cause or notice.

### III. Definitions

- A. Bid: An offer to provide goods and/or services for a specified price.
- B. Competitive Sealed Bid: A method of selection for a purchase where the award is made to the lowest dollar responsive and responsible bidder whose bid complies with the specifications contained in the Request for Bid. Price is the decisive criterion for determining the vendor who will receive the award.
- C. Competitive Sealed Proposal: A method of selection when it is considered impractical or not advantageous to use the competitive sealed bidding method or when factors other than price require evaluation to obtain the necessary supplies, materials, equipment, and/or services.
- D. Cooperative Purchasing: A method of selection combining requirements of two or more government entities or cooperation association to obtain the advantages of volume purchases, reduction in administrative expenses, or other public benefits.
- E. Emergency Purchases: A method of selection that involves a condition where there is an immediate threat to public health, welfare, or safety, or agency operations, which would be adversely affected if normal purchasing actions were followed.
- F. Formal Purchases: A method of selection that requires competitive bids or proposals for purchases exceeding \$25,000 (single or aggregate).
- G. Informal Purchases: A method of selection using solicitations/bids involving the purchase of any good and/or service that has a value of \$10,000 or more and less than \$25,000.
- H. Invitation for Bid (IFB): A method of selection by a formal request to prospective vendors soliciting price quotations or bids; contains, or incorporates by reference, the specifications or scope of work and all contractual terms and conditions.
- I. Piggyback: A method of selection through an intergovernmental or cooperative association purchase in which a governmental entity will be extended the pricing and terms of a contract entered into by another governmental entity.
- J. Purchaser: The person in a department or office delegated the authority to oversee the purchasing activities of an organizational unit.
- K. Purchasing: The procedures for obtaining goods and/or services, including all activities from the planning steps and preparation and processing of a requirement, through receipt and acceptance of delivery and processing of a final invoice for payment. The acts of preparing specifications, evaluating bids or proposals, making awards, and administering contracts are involved.
- L. Purchasing Authority: Statutory authorization for the BoCC and its designees to purchase goods and/or services.
- M. Request for Proposal (RFP): A method of selection by a formal request to prospective vendors soliciting proposals that contain, or incorporate by reference, the specifications or scope of work and all contractual terms and conditions. The RFP procedure permits negotiation of proposals and prices as distinguished from Competitive Sealed Bid and Invitation for Bid.
- N. Revenue Generating Contract: A contract in which the County receives a share of the profits that the entity or organization generates through sales to the general public.
- O. Selected Source Purchases: A method of selection when any supplies, materials, equipment, services, or public works are of such a nature that no advantage will result by

seeking competitive bids or proposals. This approach is often used for emergency purchases.

- P. Sole Source Purchases: A method of selection when there is only one source for the required commodities or services.
- Q. Standard Contract Term: The potential length of a contract being the initial one-year term plus four (4) one-year optional renewals (1 plus 4).
- R. Supplier/Contractor: A person or business who is willing to sell to the County, also known as a vendor.
- S. Vendor: A person or business that sells goods and/or services, also known as a supplier or contractor.
- T. Waiver per the Purchasing Policy: An act by the BoCC, Finance Director or Purchasing Manager exempting a purchase from the standard purchasing procedures in accordance with this Policy.

#### IV. Policy

- A. Ethics and Professional Conduct: The County will afford maximum objectivity and fair treatment to all individuals and businesses doing business with the County.

County elected officials and employees shall not “be interested in” any purchasing action in which they are involved in selecting the vendor, executing a contract or purchase order, or negotiating or administering the contract or purchase order. “Be interested in” includes a financial interest held by the individual or a family member, which includes, but is not limited to, a spouse, sibling, parent, son or daughter, which is:

1. An ownership interest in a business,
2. A creditor interest in a business,
3. An employment or prospective employment for which negotiations have begun,
4. An ownership interest in real or personal property,
5. A loan or other debtor interest, or
6. A directorship or officer position in a business.

Note: “Be interested in” does not include holding stock in a publicly traded corporation.

No official or employee, either directly or indirectly as the beneficiary of a gift or thing of value given to such person’s spouse or dependent child, shall solicit, accept or receive any gift or other thing of value having either a fair market value or aggregate actual cost in any calendar year greater than the limit set periodically per state statute by the Colorado Independent Ethics Commission (fifty-nine dollars (\$59) in March 2017) without the person receiving lawful consideration of equal or greater value in return from the official or employee who solicited, accepted or received the gift or other thing of value. (See Colorado Constitution Article XXIX Section 3; C.R.S. 24-18-104, as amended).

These purchasing ethics will follow the Arapahoe County Code of Ethics (Resolution No. 160711, as may be amended), and where there is a discrepancy between the two, the strictest policies or codes will prevail.

- B. Purchase Order Signing Authority Process: Based on the amount of the purchase order or contract, the following approvals are needed:

1. \$0 to \$25,000                      Certified Purchasing Agents approval needed\*

2. \$25,000 to \$100,000 Purchasing Manager approval needed
3. \$100,000 or greater Director of Finance approval needed

All formal solicitations \$25,000 or greater (single or aggregate) must be approved by the Department Director or Elected Official or designee.

\*Certified Purchasing Agents are those who are certified by the Universal Public Purchasing Certification Council (UPPCC).

C. Purchasing Procedures and Limits:

1. Purchase Order Requirements:

Purchase orders are required for all purchases for goods or services at or above \$5,000 because the purchase of any goods at or above \$5,000 could be a fixed asset of the County based on the Fixed Asset Policy.

2. Small Purchases (\$0 to less than \$10,000):

This method is used to procure “off-the-shelf” type commodities, non-complex goods, supplies, materials, equipment and services not available on Annual Open Purchase Orders or Cooperative Purchasing agreements used by the County. The maximum limit is set to comply with Uniform Grant Guidance for the spending of federal grant dollars. The limit applies to purchases in the aggregate, meaning that the splitting of a purchase into two or more purchases of less than \$10,000 each for the purposes of avoiding the requirement for three (3) quotes as described in the Informal Purchases Section is prohibited. Purchaser shall use reasonable judgment in selecting the vendor to ensure the County is receiving optimal value. If the Purchaser is not familiar with reasonable pricing for the commodity or services, they should check pricing with more than one supplier. Purchase orders for small purchases are discouraged except for valid business reasons.

2.1 Petty Cash for purchases \$0 to \$100. Employees may purchase items and/or services and obtain reimbursement from one of the County’s Petty Cash Funds with appropriate department approval and documentation.

2.2 Direct Invoice Payment Method \$0 to less than \$5,000 (FV60’s). Employees may purchase commodities and/or services with vendors who have established accounts with the County. Purchaser orders from the vendor and payments are made based on the vendor’s invoice without preparing a Purchase Order (known as FV60s in the County’s SAP financial system).

2.3 Purchasing Cards or Other County Credit Cards. Refer to Purchasing Card Policy 10.7.

3. Informal Purchases (\$10,000 to less than \$25,000):

This method may be used for the purchasing of non-repetitive, non-complex goods and/or services not provided for in other County contracts or through cooperative purchasing agreements used by the County.

The limit applies to purchases in the aggregate, meaning that the splitting of a purchase into two or more purchases of less than \$25,000 each for the purposes of avoiding the requirement for a formal solicitation as described in the Formal Purchases Section is prohibited.

Purchasing requirements shall be cumulative to ensure that quantity discounts are obtained. The following actions shall be accomplished:

- 3.1. Purchaser shall obtain at least three (3) quotes to obtain prices for the purchase of the required supplies, materials, equipment, and/or services estimated to have a total cost of \$10,000 to less than \$25,000 (single or aggregate), excluding sole source purchases and waivers per the Purchasing Policy.
  - 3.2. Purchaser selects the appropriate vendor, based on the quoted price, and awards to the lowest cost responsible and responsive vendor.
  - 3.3. Purchaser opens a Purchase Order; with some exceptions to be determined by the Finance Department's Purchasing Division.
4. Formal Solicitation (\$25,000 or greater):  
Formal purchases require competitive sealed solicitation for purchases exceeding \$25,000 (single or aggregate), published via newspaper, internet, direct mail or other media.
- 4.1. Invitation for Bid (IFB): A formal request to prospective vendors soliciting price quotations or bids; contains, or incorporates by reference, the specifications or scope of work and all contractual terms and conditions.
  - 4.2. Invitation to Bid (ITB): A formal request for highway construction related projects to prospective vendors soliciting price quotations or bids; contains, or incorporates by reference, the specifications or scope of work and all contractual terms and conditions.
  - 4.3. Request for Information (RFI): A formal request to obtain comments, feedback, or reactions from potential vendors prior to the issuing of a solicitation. Generally, price or cost is not required. Feedback may include best practices, industry standards, technology issues, etc.
  - 4.4. Request for Proposal (RFP): A formal request to solicit proposals from potential vendors for goods and/or services. Price is usually not a primary evaluation factor. RFP's provide for the negotiation of all terms, including price prior to contract award and may include a provision for the negotiation of best and final offers. This may be a single-step or multi-step process.
  - 4.5. Statement of Qualifications (SOQ): A formal request for a vendor to set out its capability for supplying a product, providing a service or handling a project.
  - 4.6. Qualifications Based Selection (QBS): A formal request whereby consulting firms submit qualifications to a procuring entity (owner) who evaluates and selects the most qualified firm, and then negotiates the project scope of work, schedule, budget, and consultant fee.
5. Negotiated Purchasing: The following actions may be negotiated in any amount without the use of any of the other approved purchasing methods:
- 5.1. Cooperative Purchasing: Action used by the County to combine its requirements with other governmental entities to obtain advantages of volume purchases. The County shall attempt to use Cooperative Purchasing as much as possible. When using Cooperative Purchasing, it is not necessary for the County to use its own purchasing quote or solicitation documents to complete the purchasing transaction, and the Purchaser may use the other government agency's cooperative association purchasing methods in lieu of the methods set forth in



these policies, subject to the Purchasing Manager's concurrence that the other agency's methods are consistent with the purpose and intent of these policies.

- 5.2. Piggyback: Action used by the County to extend pricing and terms of a contract entered into by another governmental entity to the County.
  - 5.3. Government Award or Purchasing Agreement: Action by the County to use the State of Colorado, or other governmental entity, purchasing award or pricing agreement for goods and/or services.
  - 5.4. Emergency Purchase: Action by the County in an emergency situation to respond to a threat to public health, welfare or safety, or a need to protect County assets. Potential causes are floods, epidemics, riots, equipment failures, operational work stoppages, or other reasons proclaimed by the functional Department Director. The existence of such condition creates an immediate and serious need for goods or services, which could not be met using normal purchasing methods in a timely manner. An action is considered an emergency if it would seriously threaten the functioning of 1) the County or its programs, 2) the preservation or protection of property or 3) the health and safety of any person. Purchaser may negotiate the price, terms and delivery as required. The Purchasing Manager will work closely with the appropriate department to make sure all emergency purchases are well documented.
- D. Revenue Generating Contracts: Written direction must be requested of and obtained from the Purchasing Manager or their designee to determine which process, Informal Purchases or Formal Solicitation, or waiver is required in order to select a vendor for any revenue generating contracts.
- E. Waiver per the Purchasing Policy: Written permission can be requested of and obtained from the Purchasing Manager or their designee based on an assessment that waiving the need for Informal Purchases or Formal Solicitation would result in greater efficiencies without sacrificing the County's need for obtaining the best value in its purchases. Purchases exceeding \$100,000 require the BoCC's written approval. Waiver can be made for the Standard Contract Term (1+4), or as designated by the Finance Director. Appeals of the Purchasing Manager's decision may be made to the Finance Director, then to the BoCC, if necessary.
1. Select Source Purchase Waivers: Criteria for this waiver assessment includes but is not limited to:
    - 1.1 Time constraints not within the Purchaser's control,
    - 1.2 Needs for compatibility with existing goods and services,
    - 1.3 Excessive cost of changing vendors and vendor proprietary rights, other vendors could not meet specifications, or
    - 1.4 Vendor with past experience and historical knowledge of the County.
  2. Sole Source Purchase Waivers: Criteria for this waiver assessment includes but is not limited to:
    - 2.1 When the Purchaser's needs can be met by only a single vendor. A requirement for a particular proprietary good or service does not justify a sole source purchase if there is more than one potential vendor for that good or service. Therefore, the term "sole source" refers to the vendor not the particular good or service. Purchaser shall negotiate the price, terms and delivery of the purchasing action.

- F. Standard Contract Term: When a contract is entered into pursuant to this Policy, the Standard Contract Term for the potential contract is an initial one-year term plus four (4) one-year optional renewals (1 plus 4). The optional renewals are at the County's discretion as described below. The Finance Director may modify the Standard Contract Term when in the best interest of the County or based on industry standards.
- G. Extension of Existing Contracts: Decision by the County to continue a contract beyond the initial period is a County prerogative and not a right of the vendor. A contract extension (or optional renewal) is to be exercised only when such continuation is clearly in the best interest of the County. No contract shall be extended beyond a total period of four years after the initial term, except by authorization of this Policy or the Board of County Commissioners.
- H. Exemptions per the Purchasing Policy: The following exceptions do not require formal approval of a waiver per the Purchasing Policy by the BoCC, regardless of the dollar amount, due to the nature of expenditure, whether it be a monopoly, a previously negotiated agreement, a legal obligation, subject to aesthetic or other not readily quantifiable standards, or other valid reasons.
1. Utilities
  2. Proprietary (items produced and marketed by a person or company having the exclusive right to manufacturer and sell it)
  3. Banking fees
  4. State mandated forms and programs
  5. Intergovernmental Agreements (IGA's)
  6. Memorandums of Understanding
  7. Aid to Agencies
  8. Software maintenance agreements
  9. Membership fees
  10. Training courses, materials, and books
  11. Manufacturer's specified commodities and services
  12. Certificates of Participation and/or bond payments
  13. RTD Transportation Passes
  14. Outpatient Mental Health Services for Inmates
  15. Insurance Claims
  16. Sexual Assault Nurse Examiner (SANE) Kits
  17. Interpretive Services
  18. Other goods or services as determined by the Purchasing Manager or BoCC

## **V. Roles and Responsibilities**

### **A. All Parties Involved:**

1. Read and follow all purchasing policies and procedures.
2. Demonstrate integrity and ethics in performing all steps in the purchasing process.
3. If there is a potential conflict of interest, notify management and Purchasing staff and withdraw from the purchasing transaction.

B. Purchaser in Department or Office:

1. Know whether the purchase is related to the use of any federal grant dollars.
2. Aggregate anticipated purchases throughout the year and use the cumulative dollar amount of projected purchases in determining which purchasing method to follow.
3. Be prepared to justify any requests for negotiated purchases.
4. For formal solicitations, consider all needs and prepare specifications with sufficient detail to allow potential vendors to develop a response that will meet the Purchaser's needs.
5. Plan ahead so that deviations from standard purchasing policies and procedures are needed only for valid business reasons.

C. Purchasing Agents:

1. Provide helpful guidance and assistance to Purchaser throughout the process, including providing periodic training as needed.
2. Expedite the purchasing process as much as possible without sacrificing the appropriate attention to detail and adherence to policies.

D. Purchasing Manager:

1. Develop and publish up-to-date purchasing procedures and training with sufficient detail for Purchasers to comprehend and follow which are aligned with Board policies.
2. Continually improve the purchasing process to yield optimal results in the most efficient manner possible and reflect best practices and use of current technology.
3. Design and administer a procedure for assessing requests for waivers equitably, professionally and timely.

E. Finance Director:

1. Serve as the appeal process in any internal disputes not resolved at the Purchasing Manager level.

F. Board of County Commissioners:

1. Adopt and revise purchasing policies that meet Arapahoe County's needs.
2. Grant waivers only in the event of valid business reasons in order to preserve the integrity of the purchasing process.
3. Serve as the appeals process in any disputes not resolved at the Finance Director level.

**VI. Related Documents and Procedures**

A. For further related information, please refer to the following:

1. OMB Title 2 CFR, Part 200, Uniform Grant Guidance.
2. Purchasing Procedures – to be published on the Finance Department's intranet page when available.

*This Policy supersedes and replaces the Arapahoe County Purchasing Policy as amended and adopted separately by the Board of County Commissions on October 16, 2018.*



## Grant Application and Approval Policy

### I. Authority:

The Board of County Commissioners has exclusive power to adopt the grant application and approval policy to help support the county government, including all offices, departments, boards, and commissions. The Finance Department is responsible for carrying out the policy directives of the Board of County Commissioners and establishing the necessary procedures to do so.

### II. Purpose and Scope:

The purpose of the grant application and approval policy is to provide a uniform method of applying for grants, the roles and responsibilities of the parties, and record retention that will align with the goals of Arapahoe County.

This policy relates to all discretionary grants for which departments/offices are generating the application or the response to a request for a proposal for grant funding, including those grants that have been previously approved and are being renewed.

- A. The establishment of a Grant Application and Approval Policy for the County:
  - 1. Ensures proper oversight of all funds appropriated to the County.
  - 2. Minimizes the County's risk of non-compliance with grant requirements.
  - 3. Ensures proper administration and accounting of all grants.
  - 4. Compliance with these rules help grant staff meet agency and organizational expectations, avoid sanctions, and facilitate stronger partnerships between the grantor, grantee and sub-recipients.

### III. Definitions:

- A. Advance Funding Grants – These are grants where the granting agency advances the funds to the County before any expenses have been incurred.
- B. BoCC – Board of County Commissioners.
- C. CFDA # – The Catalogue of Federal Domestic Assistance number given to each federal grant for identification and classification purposes.
- D. Discretionary grants – Grants that the requesting department are actively and voluntarily pursuing.
- E. Formulary grants –A mandatory grant that is awarded based on statistical criteria for specific types of work. The authorizing legislation and regulations define the statistical criteria and the amount of funds to be distributed. These may be Federal or State funded.
- F. Grant Inventory – Each year the Finance Department conducts an annual inventory of all departments and offices for all the active grants they are administering as of that date and during the fiscal year in order to formulate a preliminary SEFA for the auditors for single audit planning purposes and for submission to the BoCC.

- G. IG Rents – Intergovernmental (IG) rents are the mechanism by which the County sets aside funds annually in order to fund the replacement of the related asset at the end of its useful life.
- H. Pass-through grants – Some grants that are awarded by the State and other agencies have federal dollars flowing or passing through them and therefore are subject to the single audit regulations and must be included in the SEFA.
- I. Reimbursement grants – Grants requiring the County to expend its own funds initially and then apply for reimbursement by the granting agency.
- J. Requesting department – The department or office that is submitting the grant application, administering the grant if the grant is awarded, and taking full responsibility for grant compliance and reporting.
- K. Request for proposal/application – Grants that the State or other grantors solicit the County to apply for and require a proposal be prepared by the County for consideration.
- L. SEFA – The Schedule of Expenditures of Federal Awards that is required to be included in the County's annual financial statements or Comprehensive Annual Financial Report (CAFR) and filed with the federal government within a certain time period after year end.
- M. Single Audit – Governments are required to complete a Single Audit in accordance with the Title 2 CFR Part 200, Subpart F, if expenditures of federal financial assistance are in excess of a certain dollar threshold during the fiscal year.
- N. Study Session – A way for the Board of County Commissioners to review and approve the item.
- O. Drop-In – A way for the Board of County Commissioners to review and approve a non-controversial item that will take 5-10 minutes to request direction from the BOCC or to provide them with information.

#### **IV. Policy:**

##### **A. General**

- 1. The goals and objectives of the County departments should be established early in the planning process and should not change based on changes in the availability of different funding sources sought and received.
- 2. If grant policies and regulations conflict with regulations and policies of the County, the federal and state regulations will prevail unless less restrictive than County policies where County policy prevails.
  - a) For example, Human Services and Homeland Security may have additional requirements.
- 3. No grant shall be accepted that will incur management reporting costs greater than the grant amount.
  - a) Such costs include, but are not limited to, indirect costs, overhead, and any other items needed to administer the grant.
- 4. Formulary Grants
  - a) Although they still need to abide by all relevant Federal, State, grant and single audit compliance regulations, formulary grants that departments receive as a matter of course annually from the State are not addressed in this policy as it pertains to the "Application" and "Approval" policies; all other policies, including 9.2 Grant

Administration & Reporting and 9.3 Grant Sub-Recipient Monitoring do apply to Formulary grants.

- b) Federal funding that the County administers but does not apply for is excluded from this policy as it pertains to the “Application” and “Approval” sections; however, policies 9.2 Grant Administration & Reporting and 9.3 Grant Sub-Recipient Monitoring do apply to these type of funds.

5. Advance Funding Grants

- a) The BoCC strongly encourages that the County not enter into any advance funding grants; however, if it is necessary, the requesting department must make advanced arrangements for managing the cash received. See Responsibilities of Parties, Requesting Departments, section C.

B. Application

1. Contact with the County Attorney’s Office and the Finance Department for feedback early in the application process is highly encouraged in order to catch and address compliance, budgetary and other operational issues.
2. The requesting department must fill out the grant application in full in the Contract Management System for review as soon as possible in order to allow enough time for review by the County Attorney’s Office and the Finance Department. All related documents should be submitted to the Contract Management System including, but not limited to:
  - a) Completed Grant Evaluation Form.
  - b) Application instructions, certified assurances, and any other required attachments or guidance documentation, completely filled out and followed.
  - c) Online applications such as Grants.gov for Federal grants and Colorado Grants Management System (COGMS) for State grants that have all of the application items filled in, and a link to all instructions, certifications, requirements, program descriptions and other relevant information included for reviewers.
3. Generally speaking, a **minimum** of one week for the County Attorney’s Office and one week for the Finance Department is preferred to review the application and grant. Last-minute opportunities for advantageous grant applications will be expedited as much as possible by the reviewing departments given resource constraints and the complexity of the grant, but a thorough review and evaluation will not be omitted due to time constraints.
4. The filling out of the Grant Evaluation Form and the review of the complete application by both the County Attorney’s Office and the Finance Department **is required** even if the requesting Department Director or Elected Official has signing authority for the grant.
5. A copy of the Grant Evaluation Form must be retained with the grant records by the requesting department and by the Finance Department for future reference.
6. Access to online applications such as Grants.gov mentioned above will be given only to staff members designated by the Finance Department.

### C. Approval

1. All grant applications, agreements or contract awards must be approved by the Board of County Commissioners (BoCC) by a resolution adopted in a Public Hearing unless the Department Director or Elected Official has received authority in the annual adopted signing resolution and the grant is eligible for such treatment.
  - a) Presenting the grant application to the BoCC will only occur once it has gone through the full application policy as noted above, and not until then (see Section B).
2. Some grant applications obligate the County at the application process; others do not obligate the County until the contract award is signed. Therefore, all grants requiring BoCC approval will be evaluated and approved by the BoCC at the application stage before submission of the application.
  - a) The resolution giving the Department Director, Elected Official or designee authority to sign and submit the application should also give them authority to sign the grant award when received.
3. All grant applications should be submitted to the BoCC for approval in a study session or a drop-in.
4. Electronic submission of the application requiring the submitter to certify that they are officially authorized to represent and bind the County will require specific authorization in the form of an adopted resolution.

### D. Responsibilities of Parties

1. Requesting Department
  - a) Is responsible for the complete and accurate completion of the grant application.
  - b) Assign a Finance Officer for grants requiring such a designation.
  - c) Advance Funding Grants
    - (1) Appropriate arrangements must be made in advance of applying or accepting such a grant whereby the requesting department has developed a process to track the advance funding to ensure proper cash management of the funds throughout the duration of the grant.
    - (2) The requesting department will work with the Finance Department to ensure there are processes in place for proper cash management and reporting of the funding before the application is submitted.
2. County Attorney's Office
  - a) Is responsible for reviewing the grant application, agreement or award for legal compliance issues.
3. Finance Department
  - a) Is responsible for reviewing the grant application, agreement or award for:
    - (1) Inclusion in the SEFA if federal dollars are included
    - (2) Equipment purchases



- (a) Ensuring purchasing policies and requirements are followed when getting estimates or purchasing grant-funded equipment, goods or services, including checking vendor debarment lists at every step in the process and documenting those checks
  - (b) Ensuring a fixed asset number is assigned so that purchase order can be created, if necessary.
  - (c) Arranging for IG rents to be set up if it is anticipated that the equipment will eventually need to be replaced with County funds
- (3) Ensuring budget supplementals are arranged in conjunction with the requesting department or office for receiving the grant award, appropriating the use of the grant proceeds, and any IG rents that may be needed
- b) Is responsible for inquiring about appropriate processes in place to track grant expenditures and reimbursements appropriately and in compliance with requirements.
- c) Is responsible for setting up of special fields in the County's SAP financial system and training on their usage.
- d) Is responsible for maintaining a copy of the completed Grant Evaluation Form for future reference.

#### **V. Related Documents and Procedures:**

- A. Title 2 CFR Part 200
- B. Basis of Accounting 5.1
- C. Financial Reporting Policy 5.2
- D. Grant Application Procedures 9.1.1
- E. Grant Evaluation Form

*This policy supersedes and replaces the Grant Application and Approval Policy 4.4 dated 02/14.*



## Grant Administration and Reporting Policy

### I. Authority:

The Board of County Commissioners has exclusive power to adopt the grant administration and reporting policy to help support the county government, including all offices, departments, boards, and commissions. The Finance Department is responsible for carrying out the policy directives of the Board of County Commissioners and establishing the necessary procedures to do so.

### II. Purpose and Scope:

The purpose of the grant administration and reporting policy is to provide a uniform method of administering and reporting of grants, roles and responsibilities of the parties, and record retention that will align with the goals of Arapahoe County.

This policy relates to all grants for which departments/offices are currently administering grant funding, including those grants that have been previously approved and are being renewed.

#### A. The establishment of a Grant Administration and Reporting Policy for the County:

1. Ensures proper oversight of all funds appropriated to the County.
2. Minimizes the County's risk of non-compliance with grant requirements.
3. Ensures proper administration and accounting of all grants.
4. Ensures proper reporting of all grants within the control of the County.
5. Compliance with these rules help grant staff meet agency and organizational expectations, avoid sanctions and facilitate stronger partnerships between the grantor, grantee and sub-recipients.

### III. Definitions:

- A. Advance Funding Grants – These are grants where the granting agency advances the funds to the County before any expenses have been incurred.
- B. BoCC – Board of County Commissioners.
- C. CAFR – Comprehensive Annual Financial Report.
- D. CFDA # – The Catalogue of Federal Domestic Assistance number given to each federal grant for identification and classification purposes and must be included in the annual SEFA for single audit purposes.
- E. Discretionary grants – Grants that the requesting department are actively and voluntarily pursuing.
- F. Formulary grants – A mandatory grant that is awarded based on statistical criteria for specific types of work. The authorizing legislation and regulations define the statistical criteria and the amount of funds to be distributed. These may be Federal or State funded.
- G. Grant Inventory – Each year the Finance Department conducts an inventory of all departments and offices for all the active grants they are administering as of that date

and during the fiscal year in order to formulate a preliminary SEFA for the auditors for single audit planning purposes and for submission to the BoCC.

- H. IG Rents – Intergovernmental (IG) rents are the mechanism by which the County sets aside funds annually in order to fund the replacement of the related asset at the end of its useful life.
- I. OIG – Office of Inspector General is the agency that conducts audits of Federal grants to ensure that they are compliant with all regulations.
- J. Pass-through grants – Some grants that are awarded by the State and other agencies have federal dollars flowing or passing through them and therefore are subject to the single audit regulations and must be included in the SEFA.
- K. Reimbursement grants – Grants requiring the County to expend its own funds initially and then apply for reimbursement by the granting agency.
- L. Requesting department – The department or office that is submitting the grant application, administering the grant if the grant is awarded, and taking full responsibility for grant compliance and reporting.
- M. Request for proposal/application – Grants that the State or other grantors solicit the County to apply for and require a proposal be prepared by the County for consideration.
- N. SEFA – The Schedule of Expenditures of Federal Awards that is required to be included in the County's annual financial statements or Comprehensive Annual Financial Report (CAFR) and filed with the federal government within 30 days of the audit opinion.
- O. Single Audit – Governments are required to complete a Single Audit in accordance with the Title 2 CFR Part 200 Subpart F, if expenditures of federal financial assistance are in excess of a certain dollar threshold during the fiscal year.
- P. Study Session – A way for the Board of County Commissioners to review and approve the item.
- Q. Drop-In – A way for the Board of County Commissioners to review and approve a non-controversial item that will take 5-10 minutes to request direction from the BOCC or to provide them with information.

#### **IV. Policy:**

##### **A. General**

1. If grant policies and regulations conflict with regulations and policies of the County, the federal and state regulations will prevail unless less restrictive than County policies where County policy prevails.
  - For example, Human Services and Homeland Security may have additional requirements.
2. Formulary Grants
  - a) Although they still need to abide by all relevant Federal, State, grant and single audit compliance regulations, formulary grants that departments receive as a matter of course annually from the State are required to follow policies 9.2 Grant Administration & Reporting and 9.3 Grant Sub-recipient Monitoring.

- b) Federal grant funding that the County administers but does not apply for are required to follow policies 9.2 Grant Administration and Reporting and 9.3 Grant Sub-recipient Monitoring.

#### B. Administration and Reporting

1. All grant responsibilities, administration, compliance, reporting and other items as needed, reside with the requesting department.
  - a) The requesting department must therefore designate its own finance officer who will be responsible for maintaining, tracking and reporting on all the grants within the Department or Office.
  - b) The Finance Department will provide training and assistance in grant administration but will not prepare or sign the reports, as only those parties directly involved in the administration of the grant will have sufficient knowledge to attest to the required reports.
2. Every department will participate in the grant inventory conducted at the end of year for consideration by the independent auditors for reporting purposes in the Comprehensive Annual Financial Report (CAFR) and for reporting to the BoCC.
3. The Finance Department will be available as a resource to assist the departments in administering and tracking the grant if it is being tracked within the County's SAP financial system.
  - a) Reconciliation between any outside tracking system and the County's financial system will be the responsibility of the requesting department.
    - (1) See the *Basis of Accounting Policy 5.1* for the book of record of the County
4. All requesting departments are responsible for handling all OIG, single and other audits.
  - a) The requesting departments are responsible to pay for all related expenses of such audits, even if they are not covered in the grant award.
  - b) The requesting department is required to notify the Finance Department if the granting agency requested an audit.
    - (1) The Finance Department will offer assistance in these audits, but the requesting department will be the responsible party.

#### C. Responsibilities of Parties

1. Requesting Department
  - a) Is responsible for the administration of the grant, including meeting all accounting, purchasing, budgeting and reporting requirements and signing all documents and reports.
  - b) Is the Finance Officer for grants requiring such a designation.
  - c) Is responsible for ensuring that appropriate accounting and internal controls are set in place and in compliance with any grant or OMB requirements.
  - d) Is responsible for handling all audits such as OIG, single audit and other program audits.

- e) Participates in the grant inventory to be conducted by the Finance Department annually.
- f) Is responsible for paying all costs related to audits, even if the grant does not cover audit costs.
  - (1) If the Department wants to pay for a grant-related item through a PCard, the Department must contact the Accounting Manager for approval and ensure there are no compliance issues with the transaction.
- g) Is responsible for retaining all documentation related to the grant for a period of no shorter than 7 years after the close of the grant, including but not limited to:
  - (1) Application and instructions
  - (2) Compliance requirements
  - (3) Resolution approving the grant application, agreement or award
  - (4) Grant Evaluation Form
  - (5) All reports and associated documentation submitted to the granting agency
  - (6) All internal documentation, requests, and other items for the purposes of an audit trail
  - (7) Other required attachments and documents
  - (8) Tracking and reporting of the costs associated with reimbursements grants
  - (9) Cash management, tracking and reporting of the costs associated with advancing funding grants
  - (10) Tracking all capital assets purchased through their grant

## 2. Finance Department

- a) Is responsible for inquiring about appropriate processes in place to track grant expenditures and reimbursements appropriately and in compliance with requirements.
- b) Is responsible for the setting up of special fields in the County's SAP financial system and training on their usage.
- c) Is responsible for maintaining a copy of the completed Grant Evaluation Form for future reference.
- d) Is responsible for conducting an annual grant inventory.
- e) Is responsible for allocation of any audit costs.
- f) Is responsible for maintaining certain certifications on behalf of Arapahoe County Government, including but not limited to the DUNS number and registration within System for Award Management (SAM).
  - (1) The Finance Department will monitor and maintain all necessary certifications within SAMS.gov.

## V. Related Documents and Procedures:

- A. Title 2 CFR Part 200
- B. Basis of Accounting 5.1
- C. Financial Reporting Policy 5.2
- D. Grant Administration and Reporting Procedures 9.2.1

*This policy supersedes and replaces the Grant Application and Approval Policy 4.4 dated 02/14.*



## Grants Sub-Recipient Monitoring Policy

### I. Authority:

The Board of County Commissioners has exclusive power to adopt the grant sub-recipient monitoring policy to help support the county government, including all offices, departments, boards, and commissions. This power includes the approval of the sub-recipient monitoring policy used by Arapahoe County. The Finance Department is responsible for carrying out the policy directives of the Board of County Commissioners and establishing the necessary procedures to do so.

### II. Purpose and Scope:

Arapahoe County is responsible for annual monitoring of the programmatic and financial activities of its sub-recipients to ensure proper stewardship of sponsor funds. The following policy applies to all subawards issued under Arapahoe County, without regard to the primary source of funding. Additionally, this policy addresses institutional responsibilities and assists grant administrators to ensure that, in addition to achieving performance goals, sub-recipients comply with applicable federal laws and regulations and with the provisions of each subaward agreement.

- A. The establishment of a Grant Sub-Recipient Monitoring Policy for the County:
  - 1. Ensures proper oversight of all funds appropriated to the County.
  - 2. Minimizes the County's risk of non-compliance with grant requirements.
  - 3. Ensures proper administration and accounting of all grants.
  - 4. Ensures proper reporting of all grants within the control of the County.
  - 5. Compliance with these rules helps grant staff meet agency and organizational expectations, avoid sanctions, and facilitate stronger partnerships between the grantor, grantee and sub-recipients.

### III. Definitions:

- A. BoCC – Board of County Commissioners.
- B. CAFR – Comprehensive Annual Financial Report.
- C. CFDA # – The Catalogue of Federal Assistance number given to each federal grant for identification and classification purposes; must be included in the annual SEFA for single audit purposes.
- D. SEFA – The Schedule of Expenditures of Federal Awards that is required to be included in the County's annual financial statements and filed with the federal government within a certain time period after year end.
- E. Single Audit – Governments are required to complete a Single Audit in accordance with the Title 2 CFR Part 200, Subpart F, if expenditures of federal financial assistance are in excess of a certain dollar threshold during the fiscal year.

#### **IV. Policy:**

##### **A. General**

1. OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part 200) ("Uniform Guidance"), specifically §200.331, require pass-through entities to evaluate each sub-recipient's risk of noncompliance in order to determine the appropriate monitoring level, monitor the activities of sub-recipient organizations to ensure that the subaward is in compliance with applicable Federal statutes and regulations and terms of the subaward, and verify that sub-recipients are audited as required by Subpart F of the Uniform Guidance.
2. All departments with active grants are responsible for monitoring all awards (if applicable) that have been given to sub-recipients by the County; see *Grant Sub-Recipient Monitoring Procedures 9.3.1*.

##### **B. Responsibilities of Parties**

###### **1. Department/Office**

- a) Has completed or received from the sub-recipient the following forms to annually perform a proper risk assessment of the sub-recipient:
  - (1) Pre-Award Sub-Recipient Questionnaire
  - (2) Conflict of Interest
  - (3) Mandatory Disclosure
  - (4) Risk Assessment Tool
- b) Provide all the necessary information, as prescribed by the Uniform Grant Guidance, and monitoring of sub-recipients that receive federal awards from the County:
  - (1) Ensure that the sub-recipient has been given all the necessary information to properly track and report on federal funds spent back to the County.
  - (2) Review all expenditures incurred by the sub-recipient to ensure they are in compliance with federal regulations.
- c) Provide supporting documentation showing that the department/office is monitoring the sub-recipient's activity and that they are in compliance with the Uniform Grant Guidance.

###### **2. Finance Department**

- a) Responsible for reviewing the department's/office's supporting documentation to ensure all sub-recipients are being monitored in accordance with the Uniform Grant Guidance.
- b) Maintains a summary schedule for audit purposes as to the County's compliance with sub-recipient monitoring as a whole.

#### **V. Related Documents and Procedures:**

A. Title 2 CFR Part 200

B. Grant Sub-Recipient Monitoring Procedures 9.3.1

*This policy supersedes and replaces the Grant Application and Approval Policy 4.4 dated 02/14.*