

Budget Preparation Manual

FY 2013

Multnomah County Budget Office
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FY 2013 Financial and Policy Context

Financial Outlook

Economies worldwide continue to struggle with the effects of the 2007 – 2009 recession. Oregon and the United States are both several years into an economic recovery, but for many people it does not yet feel as though the good times have returned. From the ongoing debt crisis in European countries, to debates in US Congress about balancing the federal budget, to the continued struggle of states to deal with their budget problems, it is likely that the aftereffects of the recession will continue to play out for several more years.

The financial health of the State of Oregon remains a concern, given that state funding accounts for 25 – 30% of the County’s operating budget. The state will be entering the second year of the challenging 2011 – 2013 biennium. The latest state forecast indicates that they will have limited resources to support ongoing programs that were funded for only part of the FY 2011 – 2013 biennium. Furthermore, the state’s budget assumes \$239 million in savings from their healthcare transformation efforts in FY 2013 in order to balance. The County must remain cautious in planning for state revenues in FY 2013.

The County’s FY 2013 forecast assumes a stabilized economy with anemic to modest growth that will be protracted and uneven over the next five years. Locally, we expect to experience continued high unemployment, low inflation, and stabilizing real estate values. The County is financially stable thanks to prudent decisions made over the past several years, a more stable property tax base, and low personnel cost inflation, the County’s General Fund is projected to have a 0.5% shortfall between revenues and expenditures for FY 2013, significantly less than in recent years. The County also assumes low personnel cost inflation and few annualized or new General Fund programs.

General Fund Revenues

Ongoing General Fund revenues are forecast to grow at a modest pace, between 2.6% and 4.1% over the next few years. A handful of revenue sources make up about 90% of the General Fund, and while most of those sources are expected to resume growth, it will be slower than over the County’s experience of the last several years.

The Business Income Tax (BIT) in particular is very sensitive to economic cycles, and is expected to continue to increase in FY 2013 after its significant decline during the recession. Other economic indicators—recording fees, default filings, and passenger and freight statistics for the Portland International Airport—show that economic activity is in line with our forecast of continued slow growth. These statistics are indicators for our Business Income, Motor Vehicle Rental, and Transient Lodging taxes.

The level of compression is the largest concern related to property tax revenue, the General Fund’s largest revenue source at 67%. Property taxes

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are limited by Measures 5 and 50 to approximately 3% growth per year. This growth can be further reduced when the limits imposed by the measures come together, which creates the “compression” in assessed values. The FY 2013 forecast assumes that compression increases slightly, and then eases between FY 2014 – FY 2017.

General Fund Expenditures

The County’s General Fund supports programs in every County department. Expenditures are expected to grow at a slower rate in FY 2013 than in recent years, due in large part to lower personnel cost inflation rates. Inflation is expected to come in at 3.25%, while labor costs as a whole are expected to increase at 3.23% due to a number of factors. PERS rates will not increase this year. Medical and dental insurance costs are estimated to increase by 4.5%, a lower rate of growth than we have experienced in the past few years.

Actions taken by the Board and by County employees have helped the County to significantly reduce the General Fund’s structural deficit. Both represented and unrepresented employees have taken wage freezes in the last several years that alleviate budgetary pressures on the County’s services. Continued focus on cost containment, cost avoidance, and/or program innovation will help us toward the goal of balancing ongoing expenses and revenues.

Department Constraints

The Budget Office will provide exact General Fund constraint figures to departments in early January.

Departments are being asked to constrain their General Fund budgets by **1.5%** for FY 2013. Below are a few general principles to keep in mind when allocating constraint reductions within your budget:

- Preserve direct services to County clients.
- Take the opportunity to re-examine what you’re doing in light of the County’s core mission.
- Minimize damage to others in the County.
- Do the least harm to lives, property, social, and environmental structures.
- Communicate the impact of cuts on measured outputs and outcomes.
- Avoid cuts that will reduce revenues.
- Resist the temptation to be optimistic about revenues.
- Avoid one-time-only solutions to bridge into the next year.
- Consider the effect of budget decisions on your workforce. Take into account morale, safety, and recruitment/retention.
- Talk with other departments.

Constraint cuts may **NOT** be taken in:

- Internal service rates. Internal services may be reduced as part of your program’s reduction—e.g., if an office closes, reduce expenses for facilities, IT, etc.
- Personnel costs. Labor agreements govern the amount we must budget for

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employee salaries and benefits. Positions may be eliminated from the budget, however. Positions eliminated as part of the Span of Control initiative may be counted towards meeting your constraint. See “What’s New” in the next section for more details on Span of Control.

Programs funded by Video Lottery funding will be treated as part of the General Fund and will be constrained by 1.5% as well.

State Starting Point

As a starting point for budgeting state-funded programs, **use your best information from the State as of January 1, 2012, and be sure to document your assumptions.** Using January 1 as the starting point will be necessary given that the State may make funding decisions in the February legislative session or further on in the County’s budget process, too late to be incorporated into the departments’ budget submissions.

A few notes about the January 1st starting point:

- **Do not be overly optimistic about revenues.** The state will have few resources to support programs that were funded for only a portion of the biennium. Assume that those services will not be supported by the state in FY 2013.
- **Document your assumptions.** Explain the assumptions used for major revenue sources in the Department Director’s Transmittal Letter. This includes describing how you split your revenues over the biennium (where applicable). Also include a description of your assumptions in your program offers in the “Explanation of Revenues” section.
- **Build a status quo budget for funding streams that may move as part of the State’s Healthcare Transformation initiative.** The County will not know enough about the direction and timing of the State’s reforms to use a different starting point for these funding streams.

Policy Direction from the Chair’s Office

Preserve Direct Services: The Chair’s priority in the FY 2013 budget is to preserve direct services to County clients.

Multnomah Evolves: There are several important changes related to the Chair’s Multnomah Evolves initiative that will impact the FY 2013 budget process. Read about the Span of Control, Strategic Sourcing, Fleet Maintenance, and the Budget System under “What’s New” in the next section.

Internal Services: In FY 2013 Internal Services budgets will be built using a current service level approach. Because internal service providers used Beginning Working Capital to buy down rates in previous years, rates appear artificially higher in FY 2013. In addition, internal service providers have changed the rate drivers used to allocate costs. Department constraints have

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been adjusted to account for the differential impact this change in rate drivers has so that all departments start with a level playing field.

One-Time, Backfill, New, and Climate Action Plan Programs: Consult with the Chair's Office before proposing a program that has one or more of the following characteristics:

- One-time Only,
- Backfill and Out of Target,
- Innovative/New, or
- Climate Action Plan **AND** Innovative/New

One-time Only programs should include detailed cost estimates and metrics showing the return on investment or potential benefit to the community.

COLA for General Fund Human Services Contractors: Departments should provide for a 2.5% COLA for General Fund Human Services contractors. This COLA was built into department constraints through the inflation rate for Materials and Supplies, which includes human services contracts.

FY 2013 Budget Process and Resources

What's New?

There are a number of technical changes to how the County will budget for FY 2013. Some of these changes may not apply to your department.

- **Budget Process Calendar – On Google:** In the Budget Office's undying efforts to make your lives easier, we have created a web-based calendar on our Website [here](#). Please check back here for more information about the budget process as it unfolds!
- **Check In Target on Non-General Fund Programs:** For FY 2013 the Budget Office wants you to check "In Target" for programs that do not include any General Fund. This will resolve a querying issue we have run into in the past.
- **Limited Duration Positions** – Currently, the County does not have a consistent way of budgeting for these across departments. For FY 2013 and in the future, Limited Duration positions should be treated as Temps. Their costs should be budgeted in temporary cost elements, and they should not be included in PCP or in your department's FTE counts.
- **Video Lottery Fund** – This is a new fund required by State law to track the Video Lottery revenues from the State. The revenues and expenditures in this fund used to be part of the General Fund. If you have programs that moved to this fund, please be sure to budget for them in this new fund. For constraint purposes, this fund will be treated like it is part of the General Fund.
- **FQHC Revenues** – If your program has FQHC Wraparound revenues and expenditures budgeted in it for FY 2013, please remember that these have shifted to the General Fund in compliance with GASB 54. Budget them in Fund 10010, a sub-fund of the General Fund set up to track these payments. Continue to charge departmental and central indirect to these expenditures. The Ambulance fees that moved will be part of the regular General Fund and will not have a separate subfund.
- **Span of Control:** As part of the Chair's Multnomah Evolves initiative, Span of Control examines the supervisor to employee ratio for each division in order to bring it to a County-wide average of 1:8. This ratio represents a general goal, not hard and fast rule that will be applied to all units within the County. The end goal is to ensure that managers are supervising an appropriate number of employees. This effort may result in management positions being downgraded or eliminated. **Departments will be able to count savings from this initiative towards meeting their General Fund constraints for the FY 2013 budget.**
- **Strategic Sourcing and Central Stores** – As part of Multnomah Evolves, the County is eliminating its Central Stores function for the FY 2013 Budget and

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is moving to a Strategic Sourcing model.

- **Fleet Maintenance** – As part of Multnomah Evolves the County is considering outsourcing its Fleet Maintenance function, which may lead to changes in how the County budgets and accounts for these services. As a final decision has not been reached, we will continue to budget for Fleet Maintenance in the usual way in FY 2013.
- **Budget System** – Software vendors have responded to the RFP for a new Budget System. On-site software demonstrations are scheduled for the middle of January. The County anticipates selecting a vendor shortly thereafter.
- **Template for Transmittal Letter:** The Department Director’s Transmittal Letter will require more information than it did last year. Please see the instructions for writing the Transmittal Letter in the next section.
- You can learn more about the **component parts of internal service rates** in Appendix B.
- **Fee Schedule** – Multnomah County will again present the Board of County Commissioners with a consolidated fee schedule in parallel to the FY 2013 budget. The fee schedule will be updated and posted to the County’s website. Instructions for updating the schedule can be found in the “Preparing Your Budget Submission” section.
- We will continue to use the **Climate Action Plan checkbox** to show which programs contribute to the County’s Climate Action Plan. Check with the Chair’s Office before submitting NEW program offers with this characteristic. For more information about the Climate Action Plan, read the [Climate Change section](#) on the County’s [Sustainability website](#).

Budget Calendar

Our new Google Calendar will have all of the dates you need to know for the FY 2013 Budget Process. Please check [our website](#) for updates, as the calendar is subject to change!

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The Multnomah County FY 2013 Budget Calendar

November	December	January	February	March	April	May	June
Budget Planning	Departments Prepare Requested Budgets		Executive Budget		Budget Worksessions		Adopted Budget
Nov. 8th General Fund Forecast	December 16 th Budget Materials Released		Feb. 17 th Requested Budgets Due		May 3 rd Executive Budget Released Community Forums -TBD		June 7 th Adopt FY 2013 Budget
Chair's Office							
Lead the budget process	Meet with departments to discuss challenges and opportunities			Meet with departments to discuss preliminary decisions and impacts		Conduct public hearings, worksessions and deliberations	Amend and adopt budget
Board of County Commissioners							
Design post Executive budget process	Continue designing post Executive budget process Hold worksessions throughout the year			Confer with Chair and constituents		Conduct public hearings, worksessions and deliberations	Amend and adopt budget
Departments							
Establish department internal budget process	Begin development of budget request Provide information to Elected Officials as necessary			Provide Chair's Office with information for decision making		Present info to BCC on Executive budget for deliberation	Prepare amendments provide information
Public							
Conduct and attend CBAC/stakeholder meetings with departments	Conduct and attend CBAC/stakeholder meetings with departments and Board worksessions			Conduct and attend CBAC/stakeholder meetings with departments		Conduct public hearings, testimony & provide input on Executive budget	Attend public hearings, testimony, input on Exec. budget.
Budget Office							
Recommend & implement decisions for budget process. General Fund forecast	Train and assist departments, prepare for budget submittals			Provide Chair's Office with information and analysis for decision making and prepare Executive Budget documents		Provide info/analysis for decision making & prepare amendments & documents	Prepare budget materials for adoption and implementing

Updated: December 1, 2011



Budget Trainings

The Budget Office will offer a wide variety of training for the upcoming budget process. Please check our FY 2013 [Google Training Sign-up](#) for details on locations and times and to sign up for one of these trainings.

- We will hold **two Budget Rodeos**—our annual overview of the County’s fiscal outlook and the budget process, and your opportunity to ask questions— on **December 19th** and **January 4th**.
- We will offer **technical tools trainings** for numbers lovers—how to use the personnel cost splitter, how to complete the contracts list, how to get financial data into the Webtool, etc—on **December 20th** and **January 4th**. *This training will be most helpful for finance staff responsible for assembling department budget requests.*
- We will offer **program offer trainings** on **December 20th** and **January 5th**. *This training will be most helpful for staff who will be writing program offers, working on performance measures, or who are new to our budget process.*
- You can schedule **department-specific trainings** by contacting your budget analyst (*see below for contact information*)
- Budget Office staff are always available for questions or for **individual assistance**.

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Budget Office Contacts

Each County department has a budget analyst within the Budget Office who is responsible for helping departmental staff prepare department budgets, and analyzing departmental budgets for the Chair and Commissioners.

If you have questions about the budget process or budget technology, your first resource should be your assigned analyst. Below is a table showing the current budget analyst assignments and contact information:

Budget Office Assignments as of 12/16/2011

Name	Title	Assignment	Phone Number
Karyne Kieta	Budget Director	County Budget Process	988-3312, x22457
Mike Jaspin	Economist	Library, Revenue Forecasting	988-3312, x28594
Christian Elkin	Principal Analyst	MCSO, DCHS, Nondepartmental, Budget Document Production	988-3312, x29841
Ching Hay	Sr. Budget Analyst	DCS, DCA, Library, DA	988-3312, x26672
Shannon Busby	Sr. Budget Analyst	Health Department, DCJ, DCM	988-3312, x26744
Paula Watari	Administrative Analyst	Budget Office Support and Scheduling	988-3312, x22306

Budget Submission Checklist

FY 2013 Budget Submission Checklist

By February 10th, 2012

- Crosswalk History to FY 2013 Program Offers

By February 17, 2012

- Department Director's Transmittal Letter
- Program Offers via the Webtool
- Department narrative
- Division narratives
- List of Program Offers by Division
- Personnel Cost Plan entered into SAP
- Personnel Cost Plan (PCP) Splitter
- Contract List
- Other Internal worksheet
- Cash Transfer worksheet
- FY 2012 Current Year Estimate

Indirect Rates

Indirect cost rates for FY 2013 will be available December 16th, 2011 on the [General Ledger MINT page](#). The full indirect cost allocation plan will be published in January 2012.

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Internal Service Rates

Internal Services include Facilities, FREDS, and Information Technology (including Telecommunications.) These services are paid for with service reimbursement revenue credited to dedicated internal service funds for each service provided.

Internal service providers are responsible for meeting with departments to negotiate levels of service. The service providers will contact your department to discuss how costs have been allocated to your department. Document your request if it is different from the proposals submitted by the internal service providers. Be sure to coordinate your work load estimate with these organizations before you submit your program offers!

The Budget Office will publish Internal Service rates [here](#) in early January.

There will be only one publication date for FY 2013 internal service rates. As always, there may be additional changes in developing the Chair's Executive budget. It is the responsibility of the department to inform the Budget Office and any internal service provider of any changes so they can be tracked.

As part of the Chair's Multnomah Evolves initiative, the Department of County Assets includes an Administrative Services Hub that provides human resources, contracting and procurement, financial planning and other administrative services to DCA, DCM, and Nondepartmental. The cost of administering internal service functions will continue to be recovered through internal service rates, and the cost of administering DCM and Nondepartmental agencies will continue to be paid for by the General Fund. See the Cost Element Definitions for Cost Element 60360 in Appendix A for more information about how costs will be charged out.

Please review the cost element descriptions in Appendix A for recent changes to how we will account for some internal service costs in FY 2013.

Preparing Your Budget Submission

Introduction

This section provides detailed instructions to help you assemble the components of your FY 2013 budget submission. You can use the Table of Contents or a keyword search to navigate through the document to the information you need. Are you looking for something that's not here? Contact your budget analyst for more information.

Program Offers 101

What is a program offer? Program offers combine program narratives, program budgets, and performance data for a set of services to a given population. The Chair and the Board will use this information in building the County's budget for FY 2013. All County functions that we intend to fund—from operating programs down to the General Fund contingency account—will be requested in the form of program offers.

Conceptually, a good program offer shows the relationship between the program and the results it produces for the community. To do that well:

- Each program should be unique, and should show specific results for specific customers, for example, separate services to adults from services to children.
- Your program should be large enough to make operational sense, but small enough to allow decision-makers to make real decisions. Program offers should have a General Fund cost of less than **\$3.5 million¹**. Internal Service program offers should have a cost of less than **\$5.0 million**.
- Describe program activities in layperson's terms. Could an average citizen understand your offer?
- Describe how your program offer contributes toward achieving the desired outcomes. Give performance measures that accurately track the program's contribution toward its outcomes.
- Show why the County's spending on this program is effective – the value provided for the cost.
- Link the offer to existing policy frameworks.

It is very important to write a clear, concise description of your program offer. Imagine that you have 30 seconds to explain this program to an average person. Tell why you believe this offer will effectively support the department's strategies outlined in the Department Director's Transmittal Letter. Cite research, experience, logic, or whatever you believe convincingly makes your case. See the Style Guide in the Appendix D for more help writing program offer narratives.

¹ We will continue to accept program offers for programs operating in large single-purpose facilities that cost more than \$3.5 million to the General Fund. This exception applies primarily to the jails. Contact the Budget Office for further instructions if you think this section applies to your department. See especially the instructions for Scaling Options and for Assembling Program Offers if you are proposing program offers operated in large facilities.

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Program offers are submitted via the Webtool. The Webtool allows departments to create program offers and the associated narrative, financial data, and performance measures. Program offers will be printed directly from the Webtool as part of the County's FY 2013 narrative budget. Program offers are due on February 17, 2012, along with the rest of your budget submission.

Scaling Programs

Many programs can deliver their services at varying levels. Scaling programs allows decision makers to choose a particular service or level of service. For example, an Alcohol and Drug Treatment Program may be able to offer 100 slots, 150 slots, or 200 slots, and the department may want to provide decision-makers with the option to choose from among those levels. Here is how to propose a **scaled program offer**:

- Determine the **base level of service** you would recommend. In the example above, the base level of service would be 100 slots of A&D treatment. Assemble a program offer for this base level of service.
- Determine what the **incremental levels of service** would be. In the A&D treatment example, one increment would be 50 additional beds, and another, separate increment would be 100 additional beds. Increments need to be **additive** and **discrete**. (Put another way, decision-makers would not be able to simply choose the same increment several times over.) Assemble individual program offers for each discrete increment.
- Scaled programs must be implemented in the way they are purchased. **Services that are integral to each other need to be scaled identically.**
- **Services must be scaled** in increments that are **small enough** to allow choice but **large enough** to prevent overwhelming people with volume.
- Scaled offers may be proposed **outside of your department's constraint target** after talking to the Chair's Office.

The **Webtool will automatically assign a letter** to the base level program offer to keep the scaled options connected sequentially to the base level offer.

Guide for Creating Program Offers

Below is a section-by-section guide for how to create a program offer. The topics are ordered in the order in which one would encounter them when creating a new program offer.

Preparing Your Budget Submission

Lead Agency and Program Contact	Use the drop-down box in the web tool to choose the lead agency for your program offer, and type in a program contact. The program contact should be someone with direct responsibility for the program who can answer specific questions about it.
Program Offer Name and Number	The web tool will contain a text box for you to enter the program offer name, and will automatically assign an offer number. Because the number assigned to the program is automatic, most departments have someone from their business staff set up the numbering structure that they will use in the Webtool before letting everyone work on it. Please check with your Business Manager before creating a program offer.
Program Offer Type	The Program Offer Type is a drop-down menu used to select the type of program offer you are submitting. Following are definitions of the seven different types of program offers.
Administration	Administration program offers are department or division-level management and related expenses (office space, supplies, telephones, etc.) Direct program supervision is considered to be a part of the operating program (NOT administration) and should be included in the operating program’s offer. Administration program offers must be submitted for all administrative functions.
Support	Support program offers are for activities in a department that provides services directly to some or all operating programs within a department. Examples include the Health Department’s pharmacy, which supports the various health clinics, and the District Attorney’s Human Resources unit. Support program offers must be submitted for all departmental support functions.
Existing Operating Program	Existing Operating Programs are “on the ground” activities of the County that directly serve members of the public. This includes front-line supervisors/program managers with specific responsibilities for particular operating programs. A program should be considered existing if it was funded by the County last year, regardless of what the source of funding was.
Innovative/New Program	Innovative/New Programs are either “on the ground” or support activities that the County currently does not do. This includes requests for expansions of service that would significantly change the size or scope of the existing program.
Program Alternative/Reconstruction	Program Alternative/Reconstruction programs are current or former programs that a department is proposing to operate in a different way, using different providers, or with a different business model. You may develop alternative programs for the Chair’s consideration—either in or out of target—within

Preparing Your Budget Submission

these parameters:

- Alternatives must be feasible in the (relatively) short term. The alternatives must be implemented starting July 1, 2012, and be operational within three months.
- Think like the principal intended beneficiary or customer of the program. What alternatives would they want to see in place?
- Program alternatives can be generated for mandated areas as well – down to minimal mandated levels of service or levels of funding.
- You must document new or enhanced revenue estimates or revenue sources used in your proposal.
- Don't do anything illegal or immoral. Advocating law changes or changes in the interpretation of the law is acceptable.
- Don't make changes that reopen labor contracts. In most cases we are prohibited from outsourcing services currently performed in-house by our labor agreements.

Internal Service	Internal Service programs are in the Fleet, Information Technology, Facilities, Electronics, and Distribution funds. All of these programs belong within the Department of County Assets.
Revenue/Fund Level/Tech	Revenue/Fund Level/Tech programs are generally for Budget Office use only. These programs are used to budget discretionary (primarily General Fund) revenues at the fund level. Program revenues should be budgeted with the applicable program offer.
Link to Other Program Offers	You may link your program to other existing programs using this function. Use the dialog box to enter the number of the program you want to link to. Please link to programs within or outside of the department that have an <i>important operational link</i> that is <i>not intuitive or obvious</i> . Most readers can infer that programs within a division have an operational connection to each other, so they do not all need to be linked to each other.
Program Characteristics	There are six Program Characteristics that can be selected in the Webtool. While a program can have several Characteristics at once, please note that it cannot be both In Target and Out of Target.
In Target	Check the In Target characteristic for your department's program offers that are within your department's constraint target. Mark program offers that DO NOT have General Fund as "In Target"! Note that you may scale your program offers such that the base is In Target and the additional increments are Out of Target.
Out of Target	Check the Out of Target characteristic for your department's General Fund

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program offers that are **outside** your department's constraint target. **Mark program offers that DO NOT have General Fund as "In Target"!**

Note that you may scale your program offers such that the base is In Target and the additional increments are Out of Target.

One-time Only

One-time only refers to expenditures that, if supported, will only require funding one time. Check with the Chair's Office before submitting a program offer for one-time only resources. Once you have received approval to submit it, answer the following questions in your program offer, and check the "one-time-only" box on the Webtool for that program offer.

1. Who is the sponsor of this project? The Board? The department?
2. Describe the project and its goals. Is this a new process/project or an improvement to a current process? How is the current process different?
3. What are the performance benefits? Is this a cost removal, cost avoidance, or performance improvement proposal? Take into account benefits derived from efficiency gains, productivity improvements, risk reduction, increased convenience for employees and customers, revenue generation, etc. How certain and how soon can we see these benefits?
4. How do we know that these benefits will be realized? Document the benefits with performance measures. If available, cite experiences from others who have done the same thing, or industry norms.
5. What is the initial cost? Initial costs are costs that are required prior to the project becoming fully operational. Describe fully all initial costs related to the investment such as capital, licenses, training, installation, additional staff, etc. How certain are you about these costs?
6. How soon before the project is fully operational? How certain are you about the timeline?
7. What is the ongoing cost? Ongoing costs are those that continue after the project is fully operational. These include maintenance, ongoing staff, licenses, etc. that are required to continue the project. How certain are you about these costs?
8. Describe the amount saved as a result of funding this project. How certain and how soon can we see these benefits?

Backfill

The Webtool has a check box to identify programs for which departments are proposing General Fund backfill. Backfill is discretionary dollars (General Fund) applied to a program that was formerly funded by a grant, state, or other dedicated funding source.

- If your grant **goes away entirely** and your department proposes continuing the program with General Fund, check the Backfill **and** In

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- Target or Out of Target characteristic for that program offer.
- If a **portion** of your grant goes away, and your department proposes continuing the program in part with General Fund dollars, **scale the program**. The first increment, or base offer, is **NOT** backfill. The second increment—the General Fund portion—**IS** backfill. Check the In Target or Out of Target characteristic on both offers, as appropriate.

DO NOT use this checkbox for proposing an **increase** to a General Fund program. Check with the Chair’s Office before proposing backfilled for programs “outside” constraint. If authorized, prepare program offers for these recommendations.

Climate Action Plan

In 2009, Multnomah County adopted the [Climate Action Plan](#) (CAP), a comprehensive framework for reducing greenhouse gases and preparing County operations and the community for climate change impacts in the region. If your program contributes toward achieving a Climate Action Plan goal, check the Climate Action Plan (CAP) check box. Be sure to include a description of the particular action your program offer addresses in the “program description” text box in the program offer. Identify the action your program addresses by its CAP Objective Number – for example: “CAP: 1-4”), on the spreadsheet found at the link shown below. Check with the Chair’s Office before proposing a NEW program offer with this characteristic.

If you are not sure whether or not your program contributes toward a Climate Action Plan goal, please see the list of actions found at:

http://web.multco.us/sites/default/files/sustainability/documents/climate_action_plan_summary.xls

Measure 5 Education

Several years ago, the City of Eugene levied a property tax on behalf of local school districts that was challenged in court and found to be in violation of the Measure 5 limit on property taxes exceeding \$5 per \$1,000 of assessed value. In order to demonstrate the County’s compliance with the Constitutional limitation on spending for educational services, the Webtool has a characteristic to designate such programs.

If your department provides services that could be seen as educational services, check the Measure 5 Education characteristic in the Webtool for that program offer. Co-curricular activities conducted in school should be considered educational services for this purpose. If your program provides co-curricular activities, such as school-based health centers, check the Measure 5 Education box on your program offer.

In addition to the establishment and maintenance of schools, educational services includes support services such as clerical, administrative, professional

Preparing Your Budget Submission

and managerial services, property maintenance, transportation, counseling, training and other services customarily performed in connection with the delivery of educational services. Educational services **does not** include community recreation programs, civic activities, public libraries, programs for custody or care of children or community welfare activities if those programs or activities are provided to the general public and not for the benefit of students.

Executive Summary

In 50 words or less, write a clear, concise description of your program offer. Imagine that you have 30 seconds to explain this activity to your next door neighbor.

Program Description

A program is an organizational unit that provides services to the public or other County departments. In the Program Description text box, briefly and clearly describe the activity or set of activities that are encompassed in this program offer. If the offer involves a partnership with another County department or organization, please indicate the nature of that partnership. If your offer represents a change in current practice (reorganization, staffing levels, service hours, etc.), describe the nature of that change. Remember that your program offer may be read by people who are not experts in your area, so use language that makes sense to average citizens.

Be sure to describe how this program offer will effectively support the strategies your department has chosen for achieving results in the community. Cite research, experience, logic, or whatever you believe convincingly makes your case. If you are proposing to do something that your department does not currently do, briefly describe how you created your cost estimate – historical costs, conversations with other jurisdictions or departments, or some other methodology. In addition, it will be important to demonstrate that your department has the capability to deliver what you are proposing.

The County operates according to a variety of principles, plans and/or requirements, some of which are applicable to all departments, including the Emergency Management Plan, HIPAA, the Facilities Disposition Plan, the Five Year Capital Plan, and the Asset Preservation Plan. If your offer supports one of these or another department-specific strategic plan, please note that linkage in the program description text box.

Performance Measures

The Webtool is able to capture a number of different types of performance data for each program offer. At a minimum, each program offer must contain one output and one outcome measure. Each program can contain up to four performance measures. Departments can use the optional measurements slots for the additional measures at their discretion. There is additional information on how to create good performance measures in Appendix C.

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Enter your data into the program offer Webtool as follows:

1. Select the measurement type with the drop down box to the right.
2. Enter the performance measure definition. This should be a simple definition— avoid technical language, acronyms and jargon.
3. Enter the performance data into the cells. All fields should be filled for existing programs. Some fields can be left blank if it is a new or substantially redesigned program or measure.
4. Use the percentage check-box if the data in the cells should be reported as percentages.
5. Explain changes in existing measures, missing data or major discrepancies in achieving program targets in the Performance Measure Description section.

Pay special attention to scaled offers. Each scaled offer's performance measures should report only those services that the scaled offer supports. For example, if the base offer is for 10 residential treatment beds, then the performance measure must reflect only those 10 beds. If the secondary scaled offer is for an additional 10 residential beds, then additional performance measures must reflect those additional 10 beds, and not the combined 20 beds.

Performance Measure Types

There are several types of performance indicators available for reporting. These include input, output, outcome, efficiency, and quality indicators. Each of these draws upon a different aspect of the service that is being delivered. A good performance measurement system should include a variety of meaningful measures.

Input Indicators

Input indicators report the amount of resources such as money, people, or materials that are available or have been used for a specific service or program. Since financial and personnel data are already reported in the revenue/expense and FTE detail sections, do not repeat them in the Performance Measures table. Departments may report other program resources that are managed or consumed. The measure is helpful in illustrating the scope of work, but not the actual activities performed. The data are typically reported as numbers and not percentages.

Examples of Input Indicators:

- number of fleet vehicles
- number of jail beds
- number of maintained centerline/ lane miles

Preparing Your Budget Submission

Output Indicators Output indicators report the number of units produced or services provided by the program. It describes the activities that a program has completed, but not necessarily their results. It is common for programs to have more than one output indicator. The data are typically reported as numbers and not percentages.

Examples of Output Indicators

- number of treatment episodes delivered
- number of purchase orders issued
- number of vaccinations given to children

Outcome Indicators Outcome indicators report the results of providing a service. Outcomes can be broken down into short-term (e.g., successful treatment completion), intermediate term (e.g., success by 3 or 6 months), or long-term outcome (e.g., 1 year or more). There should be a logical connection from outputs to meaningful outcomes. Outcome indicators can be reported as numbers, percentages or rates.

Examples of Outcome Indicators

- Percent reduction of juvenile recidivism
- Percentage of clients drug-free at one year after discharge
- Reduction in incidence of disease (rates)
- Reduction in repeat calls for service

Reporting cases closed (e.g., case management, addiction treatment, cases prosecuted, etc.) is not a meaningful outcome. Simply terminating services/cases does not describe what was accomplished by providing the service.

Efficiency Indicators Efficiency Indicators examine how effectively a program is performing the activities it is doing. This is an indicator that measures the cost of resources per unit of output. Efficiency can also be viewed as a *productivity measures*. For example, where "vehicles repaired per labor hour" reflects efficiency, and "percentage of vehicles repaired properly" (e.g., not returned for rework within 6 months) reflects outcomes, "unit costs (or labor-hours) per proper vehicle repair" reflects productivity. The costs (or labor-hours) of faulty vehicle repairs as well as the costs of the proper repairs are included in the numerator of such a calculation, but only good repairs are counted in the denominator—thereby encouraging both efficiency and outcome by repair personnel.

Examples of Efficiency Indicators

- Average number of days to close a case
- Cost per jail bed day
- Labor-hours per proper vehicle repair

Preparing Your Budget Submission

Quality Indicators Quality Indicators reflect effectiveness in meeting the expectations of customers and stakeholders. Measures of quality include reliability, accuracy, courtesy, competence, responsiveness, and completeness associated with the product or service. Customer satisfaction reflects the degree to which the customer’s expectations of a service are met or exceeded. Lack of quality can also be measured. Such examples include rework, correcting errors, or resolving complaints.

Examples of Quality Indicators

- Percent of reports that are error free
- Percentage accuracy of information entered in a data system
- Percent of customers that rank service as exceeding their expectation (customer satisfaction)

Performance Measure – Description Use this text box to describe your performance measures, if necessary. Check the “Measure Changed” box if applicable and explain what the new measure is and why it is being changed. In addition to the new measure, please report the measure that is being changed for the current year as well.

Legal/ Contractual Obligations Some program offers will be constrained by legal or contractual mandates. If your program offer is affected by a mandate, please note the mandate and its authorizing document (statute, a contract, etc) in the appropriate text box in the Webtool. Consider grantor requirements, state legislation or rules, charter requirements, and other requirements. Explain **only** those things the County Commissioners must comply with and describe the consequences of failure to comply. **Not all program offers have legal or contractual obligations!**

Explanation of Revenues Use this section to describe in detail both how your revenues were estimated and how they support your program. For grant, fee, or other non-General Fund revenues, describe how your estimates were prepared. **Include a description of any assumptions behind your State revenue estimates.** Revenue estimates should be intelligible to the average reader, and should clearly demonstrate the reasonableness of the estimate. Examples of revenue estimates include:

- Estimated number of client visits multiplied by \$X rate
- Estimated caseload for the upcoming year and how funding is apportioned by a grantor to the estimated caseload
- Size of the grant award and length of award
- State share of X tax revenue

If your program uses both General Fund and other revenue sources, describe clearly how the funding sources work together. For example:

- General Fund dollars are included because the state **matches** them

Preparing Your Budget Submission

two-for-one.

- **Program outcomes are strengthened** by County funding of “wrap-around” services supporting a state-funded program.
- The program is a **joint effort** between the County and another jurisdiction, which provides a percentage of the program’s funding.
- Grant funding **enhances** a General Fund service or obligation.

Be sure that your description includes ALL revenues supporting the program. Add up the numbers in the description to ensure that the total matches the total shown in the box above.

Significant Program Changes

Mark the **check box** if your program has significantly changed. This section is to explain significant **programmatic** (NOT financial “up and down”) changes that affect the program. Note that the Division Narratives refer readers to the Significant Program Changes sections for more information about program changes, so be sure to submit complete and detailed explanations. Be sure to include the following information:

- Increases or decreases in the scope or level of services
- Increases or decreases in net personnel resources (FTE)
- Revenue increases or decreases
- How this change affects other departments and/or service delivery programs.

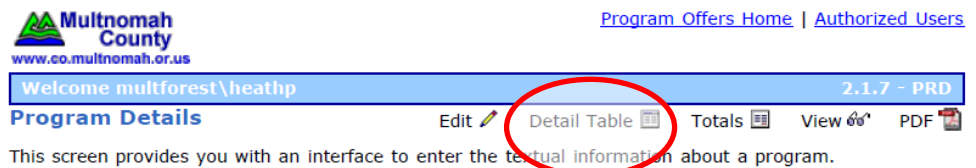
Be sure to also describe the impact of the most significant changes in your Division Narratives.

Last Year this Program Was

Use the drop-down menu to link your FY 2013 program to its FY 2012 predecessor, if applicable. Note that program offer numbering may have changed between fiscal years.

Entering Accounting and FTE Detail

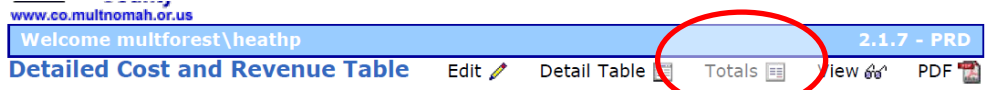
There are two ways to enter the **accounting detail** into the webtool. First, select the “Detail Table” icon circled below:



From here, you may enter the accounting detail manually using the grid feature, or you can upload it using the template found on the Web [here](#). As a side note, do not split SAP cost objects between one or more program offers. If necessary, create new SAP cost centers or WBS elements to maintain a one-to-one relationship between SAP cost objects and program offer numbers in the Webtool.

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FTE data is entered manually. There is no way to automate this task. Select the "Totals" icon circled below:



From here, you can enter the FTE figures in the row with the blue arrow:

	Proposed General Fund	Proposed Other Funds	Proposed General Fund	Proposed Other Funds
Program Expenses	2011	2011	2012	2012
Total GF/non-GF:	\$0	\$0	\$0	\$0
Program Total:	\$0	\$0	\$0	\$0
Program FTE	0.00	0.00	0.00	0.00
Program Revenues				
Total Revenue:	\$0	\$0	\$0	\$0

The Webtool will aggregate cost elements into the correct expenditure, revenue, and FTE amounts. The end result should look like this:

Projected Program Cost:				
	Adopted General Fund FY 2011	Adopted Other Funds FY 2011	Proposed General Fund FY 2012	Proposed Other Funds FY 2012
Program Expenses				
Personnel	827,912	4,685,007	852,749	4,825,629
Contracts	91,493	1,589,767	94,238	1,637,460
Materials & Supplies	124,964	237,967	128,713	245,106
Internal Services	110,951	722,260	114,279	743,928
Capital Outlay	0	5,300	0	5,459
Program Total:	8,395,621		8,647,561	
Program FTE	8.28	46.85	8.53	48.26
Program Revenue				
Fees, Permits, & Charges	0	574,020	0	591,241
Intergovernmental	0	6,666,281	0	6,866,341
Taxes	0	0	0	0
Other/Miscellaneous	0	0	0	0
Total Revenue	0	7,240,301	0	7,457,582

Personnel Cost Planning

Personnel Cost Planning is the process of estimating the costs of all of the positions that your department plans to have in the FY 2013 budget. This does NOT include limited duration positions. The Budget Office has provided spreadsheets containing information on positions and personnel costs for FY 2013, including the assumptions behind the cost estimates. The positions in the spreadsheets are the positions (and the people in them) that were uploaded into SAP's Personnel Cost Planning Module (PCP) in December 2011.

Preparing Your Budget Submission

The uploaded positions are those that were valid as of December 1, 2011. Positions that are on-call, temporary, or vacant are NOT included in the upload.

How to Update Your Personnel Cost Plan

Your personnel budget must be built in SAP/PCP. We maintain PCP as a central repository for the County's FY 2013 personnel cost plan. All personnel costs and contract provisions are factored into the SAP Personnel Cost Planning module. Check the following and adjust the file sent to you as needed:

- **Adjust Your FTE:** PCP wage projections are made equalizing all positions to 1.00 FTE. Your department will need to adjust the position in PCP to its true allocation if the position is less than 1.00 FTE. **DO NOT** budget personnel splits smaller than 0.1 FTE.
- **Adjust for Vacant Positions/New Hires:** Adjust PCP for any vacant positions or new hires since December 1st, 2011' in your organization. Double check to see that the vacancies have been recorded in Personnel Cost Planning. You may need to create the positions from scratch. Check the current version of SAP for more information.
- **Add or Reclassify Positions:** Contact your department's budget/finance division for more information on adding or reclassifying a position in the budget.
- **Do not budget for salary savings.** If you must reduce personnel costs in order to balance your budget request, you will have to reduce or eliminate positions.

PCP Cost Splits

Once you have finished updating PCP, the Budget Office needs you to split personnel costs between Cost Centers and WBS elements that you will use for the FY 2013 Budget. The format for the information required by the Budget Office is shown below:

CC/wbs	JCN	FTE	Base (60000)
210000	6020	1.00	40,000
4FA03-1	9631	3.00	150,000
250000	6001	1.00	20,000
250000	6555	5.50	195,200

One way to produce this information is the Personnel Cost Splitter found on the Web [here](#). You are also free to create your own spreadsheet to produce the information in this format. Trainings on how to use the Personnel Cost Splitter can be found on the [training calendar](#).

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Assumptions Behind PCP

Below are the assumptions that went into the PCP spreadsheet that you received from the Budget Office:

Represented employee costs were built assuming the calculated base pay for FY 2013 including step increases, any recently added/adjusted steps, VEBA and briefing pay adjustments, 2080 hours for hourly positions, and that the position is full time. Additionally, COLAs were calculated as follows:

- COLA of 3% for Juvenile Custody Services Specialists
- COLA of 0% for AFSCME Local 88
- COLA of 3.25% for all other bargaining units

Non-represented employee costs were built assuming:

- Steps and a 3.25% COLA increase
- A 1% VEBA
- **Additional adjustments included in the projections:**
 - Corrections Officers: 2.8% Briefing Pay adjustment
 - Deputy Sheriffs: 1% additional VEBA adjustment, and wage scales averaged
 - Electricians Local 48: 3% additional VEBA adjustment
 - FOPPO: 1% additional VEBA adjustment
 - Corrections Officers/Sergeants and Civil Deputies wage scales are averaged
 - HVAC Engineers Local 701: +\$.03 Disability adjustment, 2% VEBA

The medical/dental insurance flat amount for FY 2013 is \$14,152 per employee. For Local 88 three-quarter-time employees, the annual amount is \$10,614 per employee. For half-time employees, the amount is \$8,073 per employee. Rate tables for Salary Related Expenses (60130) and Insurance Benefits (60140) can be found in [Appendix A – Cost Element Definitions](#).

Permanent Full-Time: Any employee working 32 hours per week or more on a regular basis. Full time employees are entitled to full benefits.

Permanent Three-Quarter Time (Local 88 ONLY): Any employee working 30 hours per week on a regular basis. Three-Quarter Time employees are entitled to three-quarter benefits for health and dental insurance, and full life insurance.

Permanent Part-Time (EXCEPT Local 88): Any employee working 20 - 32 hours per week on a regular basis. Entitlement to step increases varies by bargaining unit. Check the appropriate contract to determine when a step increase is anticipated for permanent part time employees. Permanent part-time employees are entitled to half-time benefits for health, dental and full life insurance.

Temporary: Any employee working less than 20 hours per week or working

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full-time for less than half the year. You must budget for FICA, Tri-Met tax, workers' compensation, and unemployment. Temporary exempt employees are entitled to all County benefits except Holiday pay.

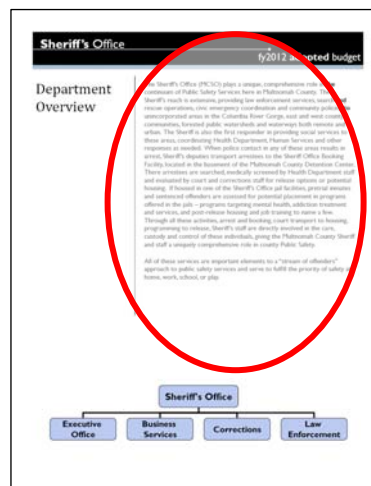
Department Narrative

In order to provide readers with background information for the program offers, the FY 2013 budget will again include department narrative sections where you can discuss your department's mission and services, as well as successes and challenges. Use the fillable PDF forms found [here](#) for these sections, and note that these sections do not require separate program offers. We will not accept Word or other files as substitutes for the fillable PDF forms.

Department Overview

The department narrative section is where readers learn about the mission, vision, and values that guide your department's work. There is a page devoted to a high-level look at your department's budget, a page for describing the past year's successes and the upcoming year's challenges, and a section in which to discuss your department's diversity and equity activities.

Your **department overview** is limited to the white space shown in the circle below. This text box is locked in all aspects (length, font size, and margins), so be concise! The org chart at the bottom of the page should be submitted via your Department Director's Transmittal Letter. The Budget Office will use this org chart as the basis for the one shown in the department narrative section.



Budget Overview

The Budget Office will prepare the Budget Overview section and table. This information will be created from your budget submission after the Chair's decisions have been finalized and updated again for the adopted budget. Departments will have an opportunity to review this section before it is published. Leave this section blank for now.

Successes and

Describe your department's successes and challenges within the space outlined by the circle on the right, below. Use this limited space to identify

Preparing Your Budget Submission

Challenges

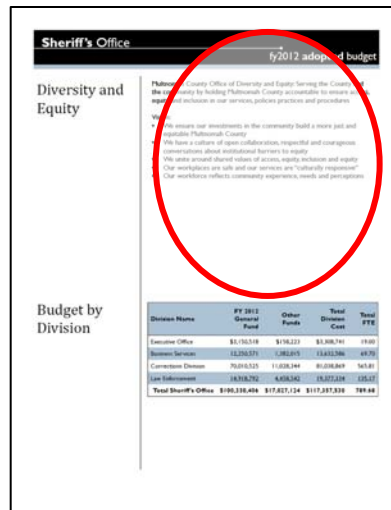
key issues facing your department, as well as any challenges you anticipate in the year ahead.



Diversity and Equity

Describe the way your department enhances diversity and equity in the County within the space outlined by the circle on the right, below. This text box is locked in all aspects (length, font size, and margins), so be concise. Use the space to:

- List your department’s diversity and equity programs and activities.
- Describe how your programs contribute to County diversity and equity goals. Evaluate your programs and activities against the Chair’s priorities: *“Ensuring that Multnomah County’s internal operations support and build the diversity of our workforce”* and *“ensuring that our investments in the community build a more just and equitable Multnomah County.”*



Budget by Division

The Budget by Division table will be compiled and inserted into this page by the Budget Office after budget requests have been received. This information will be created using the “Program Offer by Division” excel file required with your budget submission after the Chair’s decisions have been finalized and

Preparing Your Budget Submission

updated again for the adopted budget. Leave this section blank for now.

Division Narrative

This narrative section provides additional space for describing how your department's programs are organized at the operational level. Download the template found on the Web [here](#) and save a copy for each division in your department. Be sure to type in the name of the division in the space shown in the red circle on the next page.

The text box is locked in all aspects (length, font size, and margins), so be concise! Include a brief description of your division's strategic plan, if one exists, and use this space to:

- Describe the division's work. Use active verbs here: "The Support Enforcement Division helps children receive financial support from both parents" or "The Aging & Disability Services Division helps older adults and people with disabilities to live as independently as possible."
- Describe the **community need or problem** that the division addresses: "The Animal Services Division ensures the safety of people and animals."
- Describe the **division's clients**. "The Elections Division conducts all elections for the citizens of Multnomah County."
- Describe the **division's successes**. "Neighborhood Libraries served XXX,XXX people last year, an increase of XX% over the previous year."
- The **significant changes** section is a place to note operational changes at the division level: re-organizations, service delivery model changes, new programs, or programs that are eliminated. Include a reference to the affected program offer so that readers can find additional information about the changes. (Be sure to compare these changes against the significant changes described in your program offers.)

Don't forget to type in the name of the division in the space shown in the red circle, below.

Sheriff's Office
f2012 adopted budget

Executive Office

The FPCO Executive Office plays the critical role of oversight for the operations of the entire agency, a focus on staff well-being through the agency Chaplain, a single point of contact for the Office of Sheriff through the Public Information Office, and a commitment to standards and ethical conduct through Professional Standards.

The Executive Office is the first point of policy for Sheriff's Office operations, sets the course for the agency and ensures operations are safe and on target. The Inspections Unit oversees agency firearms and other critical equipment, and oversees all life safety functions. The Public Information Office relays information about agency operations to the public through public records requests, media inquiry and press releases. The Internal Affairs Unit ensures a commitment to ethics and ethical conduct, both through investigation of complaints against members and through oversight of agency high-risk programs. The Training Unit ensures compliance with certification requirements for members, regular training for quality assurance of operations and regular review of policy and practice against local and regional legal standards.

The Executive Office maintains a comprehensive perspective of Public Safety providing oversight for public safety, corrections, search and rescue, and many other services for Multnomah County residents and visitors.

The following describes the significant budget changes that impacted the division. These abbreviations can be found in the program offers.

Significant Changes for Executive, Professional Standards and Training

- Reduction of the Undersheriff position in the Executive Office due to new administration restructuring. General fund decrease of \$175,831 and 3.00 FTE.
- Reduction of the Chief of Staff position in the Executive Office due to new administration restructuring. General fund decrease of \$152,913 and 3.00 FTE.
- Reduction of an Investigator in Professional Standards to meet budget constraints. General fund decrease of \$136,415 and 1.00 FTE.
- The Training Unit was moved from the Enforcement Division to Professional Standards. No change in staffing.

Significant Changes

Current Year Estimate

Your budget submission should include an estimate of your current year budget to actuals, or current year estimate. Identify changes from current budget amounts and explain substantive deviations. The CYE should be on

Preparing Your Budget Submission

spreadsheets sent electronically to your budget analyst.

The Budget Office does not have a specific template for department's current year estimate. However, we do request that the information be broken down in the following format:

Expenditures: Break down by fund into Personal Services, Contractual Services, Materials & Supplies, and Capital Outlay.

Revenues: Break down by fund, division and revenue source.

FTE: Provide the current year FTE using the revised budget amount (Adopted FTE plus any changes made through Budget Modifications).

The narrative should identify the difference between the current budget and Current Year Estimate in a systematic fashion. You can use the following steps in developing your current year estimate.

Step 1: Identify the Department, Division, current budget, CYE, and difference.

Step 2: Identify delayed programs and the amount saved by the delay. List by program and amount.

Step 3: Identify the savings from unfilled positions (total FTE and total dollars only).

Step 4: Explain other differences if material.

It will be helpful to calculate the difference between the current budget and your projected CYE as shown on the example below. For revenue sources where you are expecting receipts to be "materially" different (more than +/- 10%; minimum of \$25,000) than the budgeted amount please provide an explanation for your projection.

Recreation Services Fund					
<i>Parks Division</i>					
Revenue	Revenue Name	FY 2008-2009		(CYE-Revised)	(Percentage)
		Revised	CYE	Difference	Difference
50150	County Marine Fuel Tax	120,000	126,450	6,450	5.38%
50220	RV Licensing Fee	271,000	307,000	36,000	13.28%
50150	Marine Board Fuel Tax	15,000	22,000	7,000	46.67%
50360	Sale of Real Property	42,003	45,000	2,997	7.14%
50250	Sales to the Public	<u>10,300</u>	<u>10,300</u>	<u>0</u>	<u>0.00%</u>
Totals:		458,303	510,750	52,447	11.44%

History

The Budget Office will provide your department with a crosswalk file that will

Preparing Your Budget Submission

Crosswalk

allow you to map your FY 2012 Adopted budget to your FY 2013 requested program offers. The goal is to crosswalk your FY 2012 Adopted budget to your FY 2013 program offers (unless a program no longer exists). The crosswalk is due back to the Budget Office Friday, February 10, 2012. This will allow us to load the FY 2012 budget history into the program offers before releasing them to the Chair's Office and posting them on the Internet.

If a current program is not proposed, it needs to be identified in the Department Director's Transmittal Letter, AND the Budget Office needs to be notified about which SAP objects are no longer used.

Further detailed instructions will be included in your crosswalk file. Contact your budget analyst for more information on preparing the crosswalk.

Department Director's Transmittal Letter

A Department Director's Transmittal Letter will formally convey the department's budget proposal to the Chair's Office. The transmittal letter should:

Give the strategic context for the department's budget submission. Explain how the department's programs and services help to reach its long-range goals, and note issues that have gained importance over time due to worsening conditions or deferred action. At a high level, describe your department's assumptions for estimating state funding for FY 2013. Link your department's programs and services to the Board's adopted Mission, Vision and Values statement.

Articulate the department's approach to FY 2013 budget planning. Outline the department's budget process, including any public or staff involvement in the process. Describe fiscal and program strategies used to address pressing issues. Clearly identify assumptions made about state-funded programs. Describe the impact of department actions taken that will likely affect other County operations, departments, or agencies.

Describe major program changes. Explain the rationale behind new, re-constituted, or alternative program offers. Identify one-time only or backfill programs. Note any FY 2012 programs that are not offered for FY 2013 and why they are not being offered.

Describe changes in organizational structure and management. The letter should contain an organization chart down to the division level. (This chart will be used by the Budget Office in assembling your Department Narrative). Also, describe Span of Control changes that were incorporated into the department's budget.

The Budget Office has a recommended template for departments to use in developing the transmittal letter. Download it from our website [here](#).

Preparing Your Budget Submission

Contract List

The Contract List is required as part of your requested budget. The Contract List should include detail for amounts budgeted in Cost Elements 60150, 60155, 60160 and 60170. Use the Excel template found [here](#) to create your Contract List.

Cash Transfer Worksheet

The Cash Transfer Worksheet is required if your department budgets ANY cash transfers between one fund and another. Cash Transfer revenues should be budgeted in Cost Element 50320; Cash Transfer expenditures should be budgeted in Cost Element 60560. See Appendix A for more details. This worksheet is required in order to ensure that the transfers can be tracked and the budget can be balanced easily. Use the Excel template [here](#) to document your Cash Transfers.

Other Internal Worksheet

The Other Internal Worksheet is required if your department budgets ANY Other Internal service reimbursements. Other Internal revenues should be budgeted in Cost Element 50310 in the receiving fund; Other Internal expenditures should be budgeted in Cost Element 60440 in the paying fund. See Appendix A for more details. This worksheet is required in order to ensure that the reimbursements can be tracked and the budget can be balanced easily. Use the Excel template found [here](#) to document your Other Internal service reimbursements.

Fee Schedule

For FY 2013, the Budget Office has created a consolidated fee schedule that will be made available to the public on the County's website. The purpose of the fee schedule is to provide a central access point for the County's fees as well as a portal for more in depth information on the fees, where applicable. Our goal is to have the schedule be as comprehensive as possible, though certain exceptions may occur, e.g. the Health Department's clinical fees for service. Contact your budget analyst if you have questions about whether a fee should be included or not.

The fee schedule will be presented by the Budget Office to the Board in parallel to the annual budget adoption. **Due dates for the FY 2013 fee schedule will be set in April, 2012; contact your budget analyst after that time for exact dates.**

The fee schedule template can be found as an excel file on the Web [here](#). There is an instructions tab in the file that provides detailed information on how to populate the schedule. For each department there is a separate tab in the file that the department should populate with their fees. The file has been pre-populated in FY 2013 by the Budget Office, though additions, deletions and amendments will likely be necessary. You do not need to be overly concerned about formatting the spreadsheet as the Budget Office will do this as part of the consolidation process.

Preparing Your Budget Submission

The Budget and SAP

While the County does not run our budget process in SAP, there are several points at which the budget intersects with SAP. For ease of use, instructions are consolidated here:

Personnel Cost Planning: personnel budgets are built in SAP/PCP, which will be the central repository for the County's FY 2013 personnel cost plan. On December 16th, the Budget Office sent out spreadsheets containing information on positions and personnel costs for FY 2013, including the assumptions behind the cost estimates. The positions in the spreadsheets are the positions (and the people in them) that were uploaded into SAP's Personnel Cost Planning Module (PCP) in December. Please see the [Personnel Cost Planning section](#) for more details about how to plan for your personnel costs.

Placeholder Cost Objects: WBSs or Cost Centers for new programs can be created as placeholders in the Webtool prior to creating the version SAP. This will prevent the creation of unnecessary and unused cost objects in SAP that cannot be deleted!

SAP Upload: After the Budget has been adopted by the Board in mid-June, it will be uploaded and maintained as the legal Budget in SAP FM. Your budget analyst will contact you with more information about this process.

Assessments and Settlements: Do not use plan assessments or settlements in your FY 2013 budget. You may still use *actual* assessments or settlements. Build your budget in the corresponding cost elements that are not in the 90000 - 95000 series.

Changes After the Executive Budget

Introduction

Now that you've submitted your FY 2013 budget, you can start to worry about how to change it! Before the budget is adopted, you can request changes to the budget through **budget amendments**. After the budget has been adopted, changes require **budget modifications** or a **supplemental budget**. The following sections describe each in greater detail.

Budget Amendments

Each year we make changes to the budget after it has been approved but before it is adopted. These changes are made through budget amendments that the Board votes on during the budget adoption process.

Amendments can be grouped into two categories: **Board amendments** and **department amendments**. Board amendments must be sponsored by a commissioner and are usually put forward during budget worksessions. Department amendments are sponsored by the departments. All amendments require a majority vote of the Board during the Budget Adoption. Due dates for FY 2013 department amendments will be set in April 2012 – contact your budget analyst after that time for exact dates.

Amendments are submitted on a modified Budget Modification Expenditure and Revenue form. Forms are available on the Web [here](#) (choose the “modification” form), and must include line-item detail and a brief description of the change being made.

Contact your budget analyst for further information on preparing either Board or department amendments.

Board Amendments

Members of the Board can sponsor an amendment to a department's budget up until the final vote to adopt. Board amendments can propose changes to any fund of up to 10% from the Approved budget. In practice, Board members usually work with departments to propose changes to the Approved budget.

Program Amendments

Program amendments make a programmatic or policy-driven change in a department's budget request such that funding levels are increased or decreased, or staff are added or subtracted. An example of a program amendment would be a program proposed by a Board member during the budget briefings. Program amendments also require a supplemental staff report supporting the requested change.

Technical Amendments

Technical amendments make adjustments between object codes that do not change the bottom line in a department, a fund, or in staffing levels. An example of a technical change would be adjusting materials and services between a department's divisions in the same fund.

Staffing Amendments

Staffing amendments show any proposed change in staffing levels between departmental organizations. Staffing amendments are the same as technical amendments in the sense that they should not reflect any bottom-line

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changes in a department's staff levels. An example of a staffing amendment would be the transfer of staff into a different program within the department. Reclassifications are also categorized as staffing amendments.

Revenue Amendments

Revenue amendments are a means of recognizing revenues that were not included in the program offers submitted in March. An example of a revenue amendment would be a grant that is awarded to a department in April, after the department's program offers have been turned in. Beginning Working Capital in excess of the amount budgeted in the department's submitted budgets should be budgeted here.

Carryover Amendments

Carryover is a one-time-only *re-appropriation in the new year* of an expenditure *authorized in the prior year*. Carryover amendments are limited to the General Fund. Your budget's ending balance, or unspent appropriation, should be adequate to cover the purchase in the new year. We will accept carryover amendments ONLY for those items that have been purchased but not received by June 30, 2012. Please provide your budget analyst with the applicable SAP PO number.

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Formal Budget Modifications

Formal Budget Modifications change appropriations at the department fund level and need to be approved by the Board. This includes transfers between funds, transfers from contingency and changes in revenues, appropriations, or FTE.

Bud mods require an Agenda Placement Request ([here](#)) and a Budget Modification Expenditure & Revenue Worksheet. If the bud mod has personnel changes the 'FTE' tab must be filled out and Central and departmental HR must sign the APR. The agenda packet must be completely filled out and contain all required signatures and attachments. Departments are responsible for gathering all signatures.

The Budget Office requires three days to review and approve an item before submitting it to the Board Clerk. An electronic copy of the agenda packet must be submitted to the Board Clerk and the Chair's Office by noon on Wednesday at least two weeks prior to the requested Board meeting, so please plan accordingly. The Board Clerk will not place an item on the final agenda without prior approval by the Chair's Office. Elected officials and their staffs follow a slightly different process. Contact your budget analyst if you work for an elected official and would like more information.

Departments are responsible for entering approved bud mods in the CO/PS modules of SAP within the financial period that they are approved by the Board. The Budget Office will enter the Bud Mods in the FM module of SAP.

Budget Modifications stipulating a new revenue source, or a significant change in the existing revenue stream, [a significant change is \$100,000 or greater] must be accompanied by documentation, confirmed by the revenue providing agency, as to the amount of revenue anticipated and the estimated dated of receipt.

NOTE: External backup documents of 50 or more pages do not have to be submitted electronically. In lieu of electronic submission, 25 copies of the documents must be included with the submission packet.

Internal Budget Modifications

Internal Budget Modifications do not change the adopted budget appropriation – they do not increase or decrease total expenditures by fund, department, or FTE. Internal bud mods can be changes in cost elements (account codes), cost objects (cost centers and WBSs within the same fund), and between organizations within an appropriation unit. Internal bud mods require notification and approval from the Budget Office prior to making changes in SAP. Departments have discretion in terms of the forms they use to submit internal bud mods to the Budget Office.

Contingency Requests

Contingency requests must be reviewed and approved by the Budget Office prior to submission for the Board agenda. Contingency requests require an APR, a Budget Modification Expenditure & Revenues Worksheet and, if there

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are personnel changes, a Budget Modification Personnel Worksheet as an attachment. The Budget Office drafts a memo addressing whether the request meets our Financial Policy regarding the appropriate use of contingency. You can find this policy [here](#).

Notices of Intent to Apply for Grants

Notices of Intent to apply for grants must be reviewed and approved by the Budget Office prior to submission for the Board agenda. Requests for grant renewals may be permitted but only if the renewal date falls within the NOI timeframe originally approved by the Board. Otherwise a new NOI must be submitted for Board approval.

Supplemental Budget

A supplemental budget allows the County to make changes to the budget that otherwise are not allowed by Oregon Budget Law. The most common changes that require a supplemental budget include increases to a fund by more than 10%, adding non-grant revenues to your budget, or creating a new fund. A supplemental budget is an entire budget process in miniature, with public hearings and public notices. Because of the public notice requirement, we try and do as few supplemental budgets as possible.

The Budget Office usually sponsors one supplemental budget during the fiscal year to appropriate excess beginning working capital and make other changes. Contact your budget analyst for more information if you think you have items that require a supplemental budget.

Personnel Costs

The following cost elements are those used to budget County personnel expenditures. Because the County's largest expenditures and cost drivers are related to personnel, extra information has been included here.

60000 Permanent

This cost element accounts for employee base pay. To determine the base pay for a position, either a current employee or a new or vacant position, do the following:

- **For bargaining unit (Hourly) employees:** Multiply the employee's base pay hourly rate by the total number of hours for the fiscal year. Total hours for next year for full time are 2080. If an employee is entitled to a step increase during the year, you will have to determine how many work hours will be paid at the beginning rate and how many work hours fall after the step increase. These figures added together will be the total base pay for that position.
- **Exempt Employees:** For all exempt employees, multiply the employee's semi-monthly rate by 24. If an exempt employee is entitled to a merit increase it will apply as of July 1. Check to make sure that exempt employees are not at the top of the range before applying a merit increase.
- **Limited Duration Employees:** Base pay costs for limited duration employees should be budgeted in 60100, Temporary Employees.

60110 Overtime

This cost element accounts for employee payroll overtime payments. To determine how much overtime pay to budget, do the following:

1. Evaluate the nature of the tasks that require overtime coverage and any other information that will justify the request.
2. Estimate the amount you expect to need, and document your calculation.
3. Calculate figures for Salary Related Expense and Insurance benefits based on this amount and include them in Cost Elements 60130 and 60140.
 - a. Overtime pay for permanent employees includes the same Salary Related Expense and insurance components as for permanent pay excluding medical/dental insurance, health promotion and Life Insurance.
 - b. Find the appropriate rates by referring to the Salary Related Expense and Insurance rate tables the following pages.

60120 Premium

This cost element accounts for premium pay employees may receive in addition to their base pay, because of the type of work or hours of work involved. These categories include shift differentials, incentive pay, trainer pay, lock-up premiums, hazardous or obnoxious work, or lead work. To determine how much premium pay to budget, do the following:

1. Evaluate the need for this kind of pay.
2. Compute the amount, and document your calculation. The base pay is allocated to cost element 60000, Permanent. *Only the amount in addition to the employee's regular rate is charged to Premium.* Lead Workers are no longer in a separate classification - you may list them here and budget for the premium pay. You may also attach a "lead pay" cost element to the position and include the appropriate amount in the position.
 - Some categories of work are compensated by a flat rate of premium pay. Estimate the total hours of work and multiply by the premium rate.
 - Other categories receive a premium based on a percentage of base pay. In these cases you will need to determine how many hours will be paid the premium and then multiply by the appropriate percentage.

Note that if you record lead pay under 60120, Premium, remember to calculate figures for Salary Related Expense and Insurance benefits based on this amount and include them in Cost Elements 60130 and 60140. Premium pay for permanent employees includes the same Salary Related Expense and insurance components as for permanent pay excluding medical/dental insurance, health promotion and Life Insurance. Find the appropriate rates by referring to the Salary Related Expense and Insurance rate tables, below.

60130 Salary Related Expenses

This cost element accounts for employee benefits costs, including PERS and FICA (Social Security) benefits, and the Tri-Met payroll tax. To determine how much benefits cost to budget, do the following:

1. Determine the employee's bargaining unit and pension category (uniformed or not), and
2. Choose which of the five rates applies from the table below
 - **Don't know which rates apply?** Check the employee's labor agreement (found on the Labor Relations Mint site, [here](#)) to learn that employee's benefits eligibility.
 - **Are you budgeting for Corrections Officers?** Note that the PERS rates have changed for OPSRP members *only*.

For instructions on **calculating benefits for temporary, overtime or premium pay**, or for limited duration positions, see the instructions for the temporary employees.

Appendix A: Cost Element Definitions

Expenditures

Components of Salary Related Expenses (60130) For All Departments

	Non-Uniformed					Uniformed				
	FICA *	PERS**	PERS Bond Surcharge	Tri-Met	TOTAL 60130 PCT	FICA *	PERS**	PERS Bond Surcharge	Tri-Met	TOTAL 60130 PCT
Regular Employees	7.65%	15.86%	6.50%	0.69%	30.70%	7.65%	23.70%	6.50%	0.69%	38.54%
OPSRP Employees	7.65%	14.26%	6.50%	0.69%	29.10%	7.65%	16.97%	6.50%	0.69%	31.81%
OPSRP MCCDA						7.65%	16.97%	6.50%	0.69%	31.81%

* FICA on first \$110,100 of salary is 0.0765; and 0.0145 for wages over \$110,100.

** Includes both the Employer cost and the 6.00% pick-up. Does NOT include 3% pick-up for current OPSRP MCCDA employees

60140 Insurance Benefits

This cost element accounts for medical, dental, and other insurance coverage for County employees. Do not include costs for limited duration employees in this cost element. To calculate insurance expense on base, overtime, and premium pay, do the following:

1. Choose the appropriate rates from the table below for the department/fund/ bargaining unit combination and assign those rates to the position.
 - Percentage rates for bus passes, workers' compensation, liability, unemployment, retiree medical/dental, long term disability and exempt employees' life insurance are charged against base, overtime, and premium pay. Rates vary by department and by organizational unit from 7.5% to 10.75%.
2. Add an amount for medical and dental insurance.
 - The cost of medical, dental, health promotion, and non-exempt employees' life insurance will be billed at the same dollar amount no matter what the individual level of coverage is. For FY 2013, the flat amounts are:
 - **\$14,152** for full-time employees
 - **\$10,614** for Local 88 three-quarter time employees
 - **\$8,073** for half-time employees.

Component Pieces of Insurance Benefits (60140) Rates

Rates Rounded Up for Configuration in SAP

	Worker's Comp	Liability**	Unemploy ment	Health/ Benefits Admin*	Retiree Medical	LTD/ STD/ Life	Total 60140 RATE
DCHS	1.25%	2.50%	0.60%	0.90%	2.00%	0.75%	8.00%
Health	1.00%	3.25%	0.60%	0.90%	2.00%	0.75%	8.50%
DCJ	1.50%	2.75%	0.60%	0.90%	2.00%	0.75%	8.50%
Library	1.00%	2.25%	0.60%	0.90%	2.00%	0.75%	7.50%
MCSO	2.25%	4.25%	0.60%	0.90%	2.00%	0.75%	10.75%
DA	1.25%	2.50%	0.60%	0.90%	2.00%	0.75%	8.00%
NOND***	1.25%	2.25%	0.60%	0.90%	2.00%	0.75%	7.75%
DCM and DCA	1.00%	3.25%	0.60%	0.90%	2.00%	0.75%	8.50%
DCS	1.50%	3.00%	0.60%	0.90%	2.00%	0.75%	8.75%

* Includes County-wide bus pass benefit cost.

** Liability rate includes County Attorney

*** Includes Chair's Office, Commissioner Offices, Auditor, Attorney, CIC, and TSCC

60100 Temporary and Limited Duration Employees

This cost element is used to account for the cost of temporary AND limited duration employees. To estimate the amount to budget for temporary employees, do the following:

1. Document what you anticipate using temporary employees to do (the nature of the work, or the project they will be working on).
2. **Maintain documentation of how you came up with your numbers.** Document your rationale if you base your budget figures on historical/projected usage rather than actual position-by-position calculations.
3. Calculate Salary Related Expense and insurance amounts for the temporary employees, and record them in Cost Elements 60135 and 60145.

Insurance rates for temporary employees include workers' comp, liability and unemployment. Exempt employees are entitled to health benefits. See the [Personnel Rules on the Mint](#) for more information on temporary exempt employees.

Note that

- Temporary employees working at least 600 hours per year will begin receiving retirement benefits after a six-month waiting period. If temps work less than this they are not entitled to retirement benefits.
- If a temporary employee works for another PERS employer, and the combined hours will reach 600 hours per year, then both employers pay retirement benefits. If the employee is already in the PERS

system, their retirement benefits begin immediately.

- Exempt temporary employees must work at least 40 hours a week and will receive retirement benefits after the six-month waiting period.

60135 Non-Base Fringe

This cost element accounts for fringe costs for temporary AND limited duration employees. *Use 60130 to budget fringe costs for lead and/or premium pay.*

Salary Related Expense rates for temporary employees include FICA and Tri-Met payroll tax (and retirement if applicable). Find the appropriate rates to use in the table on this page.

Note that

- Temporary employees working at least 600 hours per year will begin receiving retirement benefits after a six-month waiting period. If temps work less than this they are not entitled to retirement benefits.
- If a temporary employee works for another PERS employer, and the combined hours will reach 600 hours per year, then both employers pay retirement benefits. If the employee is already in the PERS system, their retirement benefits begin immediately.
- Exempt temporary employees must work at least 40 hours a week and will receive retirement benefits after the six-month waiting period.

FOR TEMPS: Components of Salary Related Expenses (60135)

For All Departments

	FICA *	Tri-Met	TOTAL 60135 PCT
All Employees	7.65%	0.69%	8.34%

* FICA on first \$110,100 of salary is 0.0765; and 0.0145 for wages over \$110,100.

60145 Non-Base Insurance

This cost element accounts for insurance costs for temporary AND limited duration employees. *Use 60140 to budget insurance costs for lead and/or premium pay.*

Insurance rates for temporary employees include workers' comp, liability and unemployment. Exempt employees are entitled to health benefits. Personnel Rules are found on the Mint [here](#) for more information.

Appendix A: Cost Element Definitions Expenditures

FOR TEMPS: Component Pieces of Insurance Benefits (60145) Rates *Rates Rounded Up for Configuration in SAP*

	Worker's Comp	Liability **	Unemployment	60145 Rate for Temps
DCHS	1.25%	2.50%	0.60%	4.35%
Health	1.00%	3.25%	0.60%	4.85%
DCJ	1.50%	2.75%	0.60%	4.85%
Library	1.00%	2.25%	0.60%	3.85%
MCSO	2.25%	4.25%	0.60%	7.10%
DA	1.25%	2.50%	0.60%	4.35%
NOND***	1.25%	2.25%	0.60%	4.10%
DCM and DCA	1.00%	3.25%	0.60%	4.85%
DCS	1.50%	3.00%	0.60%	5.10%

** *Liability rate includes County Attorney*

*** *Includes Chair's Office, Commissioner Offices, Auditor, Attorney, CIC, and TSCC*

Direct Materials & Services

The following cost elements are used for the non-personnel things departments need to do their work: contracts, supplies, and other things. Please read the definitions carefully, as they may change slightly from year to year. Also note that we do not budget in all available cost elements. For questions about budgeting in cost elements other than those identified here, contact the Budget Office.

60150 County Match & Revenue Sharing

These are payments made by the County in support of the programs of other jurisdictions or organizations. Examples include the County's share of the budgets for "City-County Organizations" such as the County's support for Regional Arts & Culture Council activities.

These payments must be identified on the [contracts list](#) provided to the Budget Office.

60155 Direct Program & Client Assistance

Use this cost element for services or materials that are purchased by the County on behalf of clients within a certain County program and have a relationship of a vendor nature per A-133. The intent of this cost element is to limit the Pass-Through cost element (60160) to services and programs that meet the federal definition of a sub recipient regardless of funding source, and to consolidate non-sub recipient client services into one account for reporting purposes. This cost element also separates client expenses from County operational expenses.

These payments must be identified on the [contracts list](#) provided to the Budget Office.

60160 Pass-Through & Program Support

These are funds that are simply passed through to other agencies, **via a contract or grant**. The County is responsible for ensuring the funds under the contract, grant or program are being spent as intended by the County and the funder. Most human services contracts are budgeted in this cost element. Payments recorded in 60160 may be subject to fiscal monitoring by Central Fiscal Compliance.

These payments must be identified on the [contracts list](#) provided to the Budget Office.

60170 Professional Services

Professional Services are services provided to the County by non-County employees and/or companies. Budgets can be for almost any service, and vary widely.

Note that:

- External Data Processing contracts are budgeted under cost element 60290 (External Data Processing).
- Equipment maintenance contracts are budgeted under cost element 60220 (Repairs & Maintenance).

- Food contracts are budgeted under cost element 60250.
- Training services contracts are budgeted under cost element 60260.
- Contracts with human service providers are typically budgeted in cost element 60160.

Include a description of the type of service you propose to purchase and the anticipated dollar amount by type of service.

These payments must be explained in the [contracts list](#) provided to the Budget Office.

60180 Printing

This cost element is for all printing, photocopying, binding, graphics, and photography services provided by the County's printing contractor. This cost element includes leased or rented copier machines. Note that toner and paper for copy machines is budgeted in cost element 60240, Supplies, unless specifically covered in a copier contract.

60190 Utilities

This cost element is used to budget costs for electricity, water, natural gas, fuel, oil, and garbage not paid by Facilities Management. **Facilities Management will pass through the cost of most utilities, and will provide estimates for budgeting these costs along with the Facilities charges for each building.** Contact Eric Winn at x26111 with questions about utilities estimates.

Note that if your organization pays for utilities on behalf of others, for example by issuing utility vouchers for program clients, you should budget those costs either in 60155 (Direct Program or Client Assistance) or 60160 (Pass Through and Program Support), depending on the source of funds.

60200 Communications

Use this cost element to budget cell phones, pagers, and expenses for moving. Beginning in FY 2012 these discretionary items were removed from the Information Technology rates and will be billed directly to your department. Contact Dan Gorton at x85564 to obtain equipment lists, prior year long distance bills, and moves/adds/changes estimates to use for budgeting purposes.

NOTE THAT most costs for telecommunications, including long distance, desktop telephones, fax machines, credit card terminals, and videoconferencing are budgeted in cost element 60370, Telecommunications.

60210 Rentals

This cost element is used to budget rental or lease of space or equipment from companies or individuals outside the County. Leased or rented copying equipment is budgeted in 60180 (Printing).

Lease/purchase agreements that exist for more than one year will be budgeted here. Equipment lease/purchase agreements which are complete within one fiscal year should be budgeted as a purchase in the 60550 (Capital Equipment) line item.

*Notify Mark Campbell at x86229 if you plan to enter into **any** lease/purchase agreements. (Under Federal Law, the County could be subject to IRS penalties if the total of our debt issues, lease/purchase agreements, loans, long-term contract, etc., is not correctly anticipated and budgeted.)*

60220 Repairs and Maintenance

This cost element is used to budget for all maintenance and repairs – that is for repairs for which no pre-existing maintenance agreement exists and for maintenance contracts or service agreements with contractors outside the County. Repairs may be to machinery, buildings, or equipment. Expenditures that will lead to the creation of a capital asset, rather than just routine repairs, should be budgeted in Professional Services, 60170.

Use this cost element to budget an estimate for Facilities Service Requests. Service requests are charged back to your department in the “95430” settlement (secondary) cost element. Not sure how much to budget? Contact Eric Winn at x26111 for a detailed list of your department’s service request expense history.

60230 Mail & Shipping

This cost element is used to budget for mail, shipping, postage or related costs, parcel post, express mail, UPS, and FedEx. Use this cost element to budget for costs associated with shipping and mailing, such as folding pamphlets or stuffing envelopes. **Note that Mail & Distribution internal service charges should be budgeted under cost element 60460.**

60240 Supplies

This cost element is to be used for all supplies whose original unit cost is less than \$5,000, including such items as office supplies, janitorial supplies, operating supplies, minor equipment and tools, clothing and uniforms, repair and maintenance supplies, and computer equipment and software that is not capital. Food for county business meetings is budgeted here. The maximum cost per item is \$5,000. Items that cost \$5,000 or more per item are capital and are budgeted under cost element 60550, Equipment.

60245

This cost element is normally used only by the Library.

Library Books & Materials

This cost element includes library books, periodicals, videos, tapes, microfiche, microfilm, CD-ROMS, and other copyrighted materials used to provide library and/or information services.

60246

Medical and Dental Supplies

This cost element is normally used only by the Health Department.

“Medical and dental supplies” is limited to supplies related to or used for patient treatment. Examples include needles, syringes, cotton balls, bandages, tape, thermometer covers, gloves, normal saline, suture kits, q-tips, etc. This category also includes durable items with unit costs of less than \$5,000, such as electronic thermometers, blood pressure cuffs, and stethoscopes. Durable items that cost \$5,000 or more per item are capital and are budgeted under cost element 60550, Equipment.

Note that drugs and vaccines (including Depo-Provera, topical antibiotics, lidocaine, etc.) should be budgeted under 60310, Drugs. Supplies to administer drugs (such as syringes and needles) should be budgeted under 60246, Medical and Dental Supplies.

60250

Food

This cost element is to be used for food purchased in bulk or provided by contract for County clients—for example, for inmates in County detention facilities. **Food or catering supplied for County business meetings or hearings should be budgeted as supplies** in cost element 60240. Per diem expenses for Travel & Training should be budgeted in cost element 60260, Education & Training.

60260

Education & Training

This cost element is used to budget for expenses including registration and attendance at professional or trade conferences and conventions, tuition and fees, course materials, out-of-town travel and per diem, lodging, contracts for training services, etc. Actual activity in this cost element must be accompanied by a travel and training form as required by Administrative Procedure FIN-2.

Note: Do not confuse the travel associated with a seminar with local travel, which is dealt with in ‘Local Travel and Mileage’ below.

60270

Local Travel and Mileage

Use this cost element to budget for mileage associated with travel within the greater metropolitan area, including Salem.

- **Cost recovery for bus passes is built into the insurance rate, so DO NOT budget for employee bus passes in this cost element. Note that** bus passes are a general benefit; you do not need to count the number of passes your department will actually use.

- Agencies supplying **bus/train tickets** to clients should budget them in cost element 60240, supplies.
- County programs providing bus tickets to specific clients of an external social services provider should budget these costs in cost element 60155 Direct Client Assistance.
- All bargaining units now use the Federal mileage reimbursement rate, which is **\$0.555 per mile** beginning July 1st, 2011. *Accounts Payable will notify departments if the IRS announces a change to this rate.*

60280 Insurance

Use this cost element for liability insurance, fire insurance, employee bonding, and other non-personnel insurance. Personnel insurance is included in cost elements 60140 and 60145 – Insurance Benefits.

Note that in the areas of liability and property insurance, the County is self-insured. Before entering into an external insurance obligation, contact Mark Campbell in the Finance Division at x86229.

60290 Software Licenses & Maintenance

Charges for data processing services performed under contract with **non-County** organizations are budgeted here. This cost element is also used by IT to record the costs for the purchase of new software and licenses. Costs of data processing services provided by the County Information Technology Division are budgeted in cost element 60380 – Data Processing Services. *See also cost element 60380, IT Services.*

60310 Drugs

Use this cost element for all drugs and vaccines purchased by the County, either from external sources or through the County's store supplies. **Note that** supplies used to administer drugs (syringes, needles, etc.) should be budgeted under cost element 60246, Medical & Dental Supplies.

60330 Claims Paid/ Judgments

This cost element is normally used only by Risk Management.

The cost element is used to budget payment of insurance claims, whether coverage is by policy or through self-insurance. Areas of insurance include, but are not limited to: property, general liability, unemployment and workers' compensation insurance. It is also used to budget for anticipated "money judgments" attained against Multnomah County by outside private or business parties through the court system.

60340 Dues and

Use this cost element to budget dues for memberships in associations, societies, or other organizations; as well as for subscriptions for newspapers, trade journals, magazines or newsletters. **Note that** memberships must be in the name of the County, not in the name of the

Subscriptions

individual County employee. The exception to this rule is where a membership is a requirement of employment and payment of the yearly dues has approval of the Board of County Commissioners. (Example – Bar Association dues for attorneys.)

60470

Contingency

Please consult your budget analyst for advice on how to budget for Contingency in an operating fund that is shared by two or more departments.

This cost element is normally only used by the Budget Office.

A general Contingency may be included in any operating fund. Per ORS 294.352, it is to be budgeted as a separate line item within an operating fund. It should be kept separate from departmental expenditures and it is considered an intrafund transfer in the sense that the Board must approve a budget modification authorizing a transfer from the Contingency line item. Also, transfers from Contingency are limited to 15% of total appropriations authorized for the fund so great care should be made in estimating the amount to be budgeted in this line item.

Since the Contingency is considered a “fund level” expenditure any amount budgeted in this line item should be included in the Overall County cost center (950000xxxx) for that fund. The Contingency estimate must be reasonable and based on previous experience. It cannot be made in place of an estimate for expenditures that are known to be necessary and can be anticipated.

60480

Unappropriated Balance

*Please consult Mike Jaspin in the Budget Office at x28594 if you have questions about **or are budgeting an amount** in this cost element.*

This cost element is normally only used by the Budget Office.

This cost element should be used **only** to account for proceeds that are expected to be held in reserve for future purposes. It is not an appropriation and it cannot be authorized for expenditure during the year except under extreme circumstances. An example of where Unappropriated Balance should be budgeted is the General Fund reserve which was established to move the County toward its 10% reserve target.

The only funds that should budget an Unappropriated Balance are the General Fund and the County’s bond repayment funds. Other dedicated funds may budget an Unappropriated Balance in lieu of an operating Contingency. An example of an acceptable use of this cost element might be the Fleet Management Fund where proceeds are used to fund replacement of vehicles to be purchased in future years.

60490

Principal

This cost element is for principal payments on long-term debt, such as General Obligation bonds, Revenue bonds or Certificates of Participation. The amounts budgeted here must be supplied by the Finance Division. List and explain all interest payments and schedules of loans and Bonds. Do not confuse this with internal service reimbursement debt payments to the Capital Debt Retirement Fund (60450).

60500

Interest

This cost element is for interest payments on long-term debt, such as General Obligation bonds, Revenue bonds or Certificates of Participation. . The amounts budgeted here must be supplied by the Finance Division. List and explain all interest payments and schedules of loans and Bonds. Do not confuse this with internal service reimbursement debt payments to the Capital Debt Retirement Fund (60450).

60550

**Capital
Equipment**

This cost element is for all purchases of capital equipment. Capital equipment has an initial cost equal to or greater than \$5,000 and a useful life equal to or greater than one year. Additional capitalizable costs should also be recorded to this account, which includes costs such as shipping and installation charge incurred in getting the asset ready for its intended use. All purchases of capital equipment must be accompanied by an Asset Acquisition form submitted to General Ledger. Additional information is available in Administrative Procedure FIN-10.

Internal Service Reimbursements & Cash Transfers

Use internal service reimbursement cost elements to budget the costs of services provided by other County organizations. All internal service rates can be found on the [Budget Office Web site](#). Additionally, information about the Indirect Cost Allocation Plan can be found on the [General Ledger Mint page](#). Be sure to use the rates provided by the internal service providers for your FY 2013 budget. Contact numbers are included in the cost element descriptions, below, if you have questions or need more information about the rates provided to your department.

60350 Indirect: Central Administration

Indirect cost rates for FY 2013 will be available on December 16th, 2011. If you have any questions, contact Stuart Johnson in General Ledger (x22781). FY 2013 rates and additional information can be found on the [General Ledger page](#) on the Mint.

Several notes:

- There is not a separate rate for pass-through payments. Use the departmental rate for all cost elements subject to indirect.
- Indirect charges are not applied to capital expenditures.
- Budget indirect costs only for those sources that pay indirect.
- **Indirect WILL be charged** on internal service expenditures, **including** Risk Fund cost elements 60140 and 60145.

Indirect revenue generated by the Central Indirect rate accrues to the General Fund and is budgeted by the Budget Office in Cost Element 50310. This revenue covers some costs for central services such as General Ledger, Treasury, Budget, Human Resources, Finance, and the Auditor's Office.

60355 Indirect: Departmental Administration

Indirect cost rates for FY 2013 will be available on December 16th, 2011. If you have any questions, contact Stuart Johnson in General Ledger (x22781). FY 2013 rates and additional information can be found on the [General Ledger page](#) on the Mint. Use this cost element to budget that portion of indirect costs generated for your own department.

The revenue generated by the departmental indirect rate accrues to your department to be used to pay for support functions. Please budget in the General Fund under revenue cost element 50370, Departmental Indirect Revenue.

60360 Internal Service Administrative Hub

This cost element is normally only used by the Department of County Assets. This cost element is used to budget the payment of administrative costs from internal service funds to the Administrative Hub in the General Fund. The Administrative Hub provides human resources, financial planning, finance services, and contracting and procurement for all County internal service organizations, the Department of County Management, and Nondepartmental offices and agencies.

Appendix A: Cost Element Definitions Expenditures

60370
Internal Service -
Telephone

This cost element accounts for County-supplied telecommunications services including “dial tone” services such as desktop digital and analog phones; long-distance; fax machine, alarm, and credit card terminals; and videoconferencing stations. **Note that** starting in FY 2012, most variable charges—for cell phones, pagers, and moves/adds/changes—have been removed from IT’s telecom rates and should be budgeted directly in cost element **60200, Communications**. If you have questions about what to budget here, contact Dan Gorton at x85564.

Detail your request if it is different from the rates provided by the IT Organization for Telecom.

60380
Internal Services
Data Processing

This cost element is for services provided by the County's Information Technology Organization. Services include PC and software maintenance and replacement, network and data center services, and application development. Costs included in the IT service estimates include:

- IT personnel costs
- Computer, telephone, training, and supplies for IT personnel
- Hardware and software purchases, maintenance, contracts, and repair/replacement costs
- IT professional services

Contact Chris Brower at x84001 with any questions about your service reimbursements and/or rates.

60390
Internal Service
PC Flat Fee

This cost element is not used in FY 2013. PC replacement costs are collected through cost element 60380, IT Services.

60400
Internal Service
Info Asset
Preservation

This cost element is not used in FY 2013. Asset preservation costs are collected through cost element 60380, IT Services.

60410
Internal Service
Motor Pool

This cost element is used to budget the use of County vehicles. First-time vehicle users should contact Aimee Ortiz at x29508 to receive an estimate for budgetary use. Agencies that anticipate the purchase of vehicles should contact Fleet, and budget the purchase here. Detail your request if it is different from the proposal submitted by Fleet.

60420Internal Service
Electronics

This cost element captures costs of electronic radios and other small electronic equipment in facilities and vehicles. Facilities electronics include paging equipment and detention facility electronics (e.g. Security cameras, electronic door lock controls, etc). Electronic equipment in vehicles includes 2-way radios, mobile digital terminals, sirens, light bars, etc. Contact Aimee Ortiz at x29508 if you have questions about budgeting for electronic equipment. Detail your request if it is different from the rates provided by Fleet Services.

60430Internal Service
Building
Management

This cost element is used for charges to all programs (including all grants that require space allocations) by Facilities Management for routine building costs, including space, utilities, maintenance, lease payments, and debt service. If your program will require more space, less space, or new space, you must work with Facilities Management to budget total costs.

Detail space requirement information if it is different from the rates provided by Facilities Management. Also detail estimates, by program area, of your need in FY 2013 for non-routine maintenance work. For further information contact your department's Facilities Property Manager.

Do not budget service requests in this cost element. Service requests are charged back to your department in the "95430" settlement (secondary) cost element. You may estimate anticipated service request expenses and budget them in the "Repairs & Maintenance" cost element (60220) in your department's budget. Not sure how much to budget? Contact Eric Winn at x26111 for a detailed list of your department's service request expense history.

60440Internal Service
Other

This service reimbursement is used to pay for work done for an organization by another County organization in a different fund. For example, if the sign shop in the Road fund makes a sign for the Sheriff's Office, the Sheriff's Office will be charged for the work and that charge may be budgeted by the Sheriff's Office in this line item.

For budgeting purposes, use of this cost element must be explained, with an explanation of the services to be provided, the cost of the services, **and which fund will be reimbursed**. The fund being paid **must** be indicated so that the appropriate revenue can be included for that fund. Here are two helpful tips to remember when you use this cost element:

- **EVERY** instance of cost element 60440 **requires** a corresponding instance of 50310 in another fund; and
- **ONLY** use this cost element for **interfund** transactions. Put another way: you can't budget 60440 and its corresponding 50310 in the same fund.

If you are using this cost element in your FY 2013 budget, you **must** submit the

template created for tracking other internal service reimbursements, found on the Mint [here](#).

60450

Capital Debt Retirement Fund

This cost element lists payments made to the Capital Debt Retirement Fund for principal and interest payments on Certificates of Participation or bonds. Mark Campbell at x86229 in the Finance Division will contact those programs that have obligations that should be budgeted here.

60460

Internal Service Distribution & Postage

This cost element covers payments for U.S. postage and mail distribution for interoffice mail and U. S. mail. It is also used for Records and Materials Management costs. Contact Aimee Ortiz at x29508 if you have questions about budgeting for mail and distribution, records, or materials management. Detail your request if it is different from rates provided by FREDS.

For FY 2013, the County will no longer budget Central Stores internal services charges in cost element 60460, as we are moving to a Strategic Sourcing model. Costs for the personnel and IT systems associated with Strategic Sourcing will be paid for by the General Fund.

60560

Cash Transfer

This cost element is used to budget cash transfers from one fund to a different fund. For budgeting purposes, ***use of this cost element must be explained***, with an explanation of **which fund will be reimbursed**. The fund being paid **must** be indicated so that the appropriate revenue can be included for that fund. Here are two helpful tips to remember when you use this cost element:

- **EVERY** instance of cost element 60560 **requires** a corresponding instance of 50320 in another fund; and
- **ONLY** use this cost element for **interfund** transactions. Put another way: you can't budget 60560 and its corresponding 50320 in the same fund.

If you are using this cost element in your FY 2013 budget, you **must** submit the template created for tracking other internal service reimbursements, found on the Mint [here](#).

Cost Element Definitions: Revenues

For FY 2013, we've continued to provide the following section of **expanded definitions** for revenue codes. The list of revenue codes has been increased due to the implementation of GASB Statement 34, which lays out the Government Accounting Standards Board's revised requirements for the annual financial reports of state and local governments.

GASB 34 requires the County to distinguish between *program or restricted* revenues and *general or unrestricted* revenues. Further distinctions include operating and capital grants; fees and charges for services, and particular types of taxes. For the most part, departments will budget restricted or program revenues.

All revenue estimates should be documented in the program offers in the Explanation of Revenues section. The exceptions to this rule are Internal Service Reimbursements (50310 thru 50321) and Miscellaneous Revenue (50360) where receipts would not total more than \$2,500 in any single cost object.

Documentation of revenue estimates should include the following:

- Who/Where is the revenue received from?
- A calculation that shows how the estimate was developed
- If the revenue is a Fee or Charge for Service does the County have authority to increase the rate?
- If the revenue is a Grant or Contribution when will it expire?

For questions about coding revenues to the correct cost elements, or if you have a new revenue source, please contact General Ledger at GLHelp@multco.us. For all other questions about revenues, contact Mike Jaspin in the Budget Office at x28594.

Note: in the cost element definitions found on the following pages, the word "intergovernmental" is abbreviated "IG."

Restricted or
Program
Revenues:
Grants &
Contributions

Grants are contributions or gifts of cash or other assets from another entity. A grant may be received either directly from the granting government or indirectly as a pass-through from another government.

Capital grants are restricted by the grantor for the acquisition or construction of capital assets.

Operating grants are such contributions to be used or expended for a specific purpose, activity, or facility.

50175
IG Direct Fed:
Capital

Use this account for funds received directly from the federal government. Its use is restricted to the purchase or construction of capital assets as specified in the governing grant or contract. **If a grant or contract contains funding for both capital acquisition and operations, the entire grant or contract should use the operations revenue cost element (in this case, 50170).**

50185
IG Fed thru
State: Capital

Use this account for federal funds received through the State of Oregon where the state is acting as a pass through agency. Its use is restricted to the purchase or construction of capital assets as specified in the governing grant or contract. **If a grant or contract contains funding for both capital acquisition and operations, the entire grant or contract should use the operations cost element (in this case, 50190).**

50215
Non-gov't
Grants: Capital

Use this account for funds received for capital acquisition from non governmental sources.

50301
Donations:
Capital

Use this cost element for restricted use donations to be used for capital purchase or acquisition.

50111
CAFFA

County Assessment Function Funding Assistance: these are operating grant revenues from the Oregon Department of Revenue that fund the County's Assessment and Taxation program.

50113

Use this cost element for revenues shared with other governments – such

Appendix A: Cost Element Definitions

Revenues

Government- Shared: Program	as ODOT Revenue sharing for Roads and Bridges. The shared revenues recorded in this account are restricted, program shared revenues. Unrestricted shared revenues should use cost element 50112.
50117 In Lieu of Tax: Program	Use this cost element for revenues that the County receives in lieu of local taxes. These revenues are typically restricted in use. Revenues received from the federal government under the Oregon & California (O&C) Railroad Grant Lands are an example of revenues to budget under this cost element.
50170 IG Direct Fed: Operations	Use this cost element for funds received directly from the federal government, where use is restricted to the provision of services that are specifically defined by a formal agreement with a federal agency. If the agreement includes provisions for both operations and capital acquisition, all revenue is considered operations revenue under 50170.
50180 IG Direct State: Operations	Use this cost element for funds received directly from the State of Oregon that do not include any funds the state passes to the county from another source. Their use is restricted to the provision of services that are specifically defined in a formal agreement with the state. If the agreement includes provisions for both operations and capital acquisition, all revenue is considered operations revenue under 50180.
50190 IG Fed thru State: Operations	These are federal funds passed through the state. They are restricted to services outlined in the state agreement, which in turn must meet federal requirements. As with all operations revenues, if the agreement includes provisions for both operations and capital acquisitions, the entire agreement is treated as operational revenue.
50195 IG Fed thru Local: Operations	These are federal funds received from a local source. This includes local governments such as City of Portland, Washington County and others. They are restricted to services outlined in the agreement with the local agency, which in turn must satisfy federal use requirements. As with all operations revenues, if the agreement includes provisions for both operation and capital acquisition, the entire agreement is considered operations revenue.
50200 IG Local: Operations	These are restricted use funds received from a local government that do not include pass through funding from another source, for example the federal government. Use is restricted to services as outlined by the governing agreement with the local agency. If the agreement includes a provision for both operations and capital acquisition, all revenue is considered operations revenue.
50210	Use this cost element for restricted use funds received from a

Non-
governmental
Grants:
Operations

nongovernmental source such as a private foundation or a non profit agency. The funds must not include federal funds the organization is passing through to the county. Use is restricted to services outlined in the governing agreement. If the agreement includes a provision for both operations and capital acquisition, all revenue is considered operations revenue.

50300
Donations:
Operations

Use this cost element for donations where use is restricted to the provision of a stipulated service. Revenues recorded here are classified as operating grants by program / function in the financial statements.

Restricted or
Program
Revenues:
Fees & Charges
for Services

For questions about whether or not grant awards are subject to Single Audit rules, contact Stuart Johnson in General Ledger at x22781.

Fees and charges for services are charges for current services.

There are some federal grant and contribution revenues that are considered to be fees or charges for services and should be coded as such. These grant revenues do not fall under the federal A-133 Single Audit rules. For example, most Medicaid funds paid by the federal government to the states are federal financial assistance payments and are covered under the Single Audit Act. Medicaid arrangements between the state and providers, however, are contracts for services, and thus they are not considered to be federal financial assistance subject to the Single Audit Act. Multnomah County both receives Medicaid revenue that is subject to the Single Audit Act (in Aging Services, for example), **and** serves as a vendor for providing Medicaid-funded services (in the Health Department, for example). *The former should be recorded under “operating grants” cost elements, and the latter should be recorded under “fees for services” cost elements.*

50220
Licenses & Fees

Use this cost element for charges imposed by county ordinance for specific licenses and fees. Examples of **licenses** include adult care home, cat, dog, food handler, marriage, restaurant, and swimming pool licenses. Examples of **fees** include adult care home, alarm permit, cable franchise, recording, and library fees.

50221
Photocopy
Charges

Use of this cost element is limited to those County programs that track revenues from copy machines used by the public. The Library and the County Attorney’s Office normally use this cost element.

50222
Printer Charges

This cost element is normally used only by the Library. It is used to track revenue from printers used by the public.

50230
Permits

Use this cost element to budget revenues earned from permits. Such permit charges include permits granted for bridge use, concealed weapons, land use planning, and rights of way.

50235
Charges for
Services

Use this cost element for charges for services that are not set by county ordinance, that are not charged to other governments, and that are not sales of goods. Examples of such charges are Facilities services fees, client fees, District Attorney discovery fees, jury duty pay turned over to the

	County, medical records fees, and/or third party payers for Health Department services.
50236 IG Charges for Services	<p>Use this cost element for charges for services to local governments. Examples of revenues to budget under this cost element include OMAP (Oregon Medical Assistance Plan [Medicaid/Title XIX]) charges to local governments.</p> <p>NOTE that Medicaid payments to Multnomah County for providing patient care services to Medicaid-eligible individuals are not considered federal awards expended under the Single Audit Act A-133. Hence Medicaid payments are recorded in this revenue account for a better audit trail and to segregate this revenue from revenue reported for A-133.</p>
50240 Property/Space Rentals	Use this cost element for revenue from rental of county property (buildings, offices, rooms, parking, DCJ transitional housing).
50241 Motor Pool Parking	<p>This cost element is normally used only by Fleet.</p> <p>Use this cost element for revenue from employees (charged through payroll) for parking in Motor Pool lots.</p>
50250 Sales to the Public	Use this cost element to record revenues from selling good to citizens (as opposed to County clients or other governments. Examples of revenues to record here include Library sales, Assessment & Taxation information sales and copy fees, survey charges, and sales of surplus property, including vehicle auction revenues.
50260 Election Reimbursement	<p>This cost element is normally used only by the Elections Division.</p> <p>Use this cost element for recovery of elections costs from state and local governmental bodies.</p>
50280 Fines & Forfeitures	Use this cost element to record revenue from the courts, criminal forfeitures, informal restitution, and animal control.
50290	Use this cost element to record revenues from insurance rebates, fuels tax

Dividends &
Rebates

refunds, and other refunds and rebates.

50291

This cost element is normally used only by Risk Management.

Retiree Health
Premium

Use this cost element to record Retiree Health Benefits premiums.

50310

This cost element is normally used only by Department of County Assets and the Department of County Management.

Internal Service
Reimbursements

Use this cost element to record revenues received in internal service funds from service reimbursements.

50311-50319,
50321

These cost elements are normally used only by Risk Management.

Use these cost elements for service reimbursements to the Risk Fund for various insurance coverages. For questions or definitions, contact staff in the Budget Office or in General Ledger.

Unrestricted or General Revenues: Taxes

Unrestricted or general revenues include taxes—property taxes levied for general purposes, business income taxes, selective excise and use taxes, and payments in lieu of taxes—as well as miscellaneous revenues, interest and investment earnings, and state-shared governmental revenues.

Grants and contributions that do not qualify as “program” revenues are considered to be unrestricted and are reported as general revenues.

For the most part, unrestricted or general revenues are budgeted at the County-wide level by the Budget Office. For questions about budgeting in the following cost elements, contact Mike Jaspin in the Budget Office at x28594.

50100 Property Taxes: Current

Use this cost element for property tax revenue collected from the current year’s tax levy. Taxes are levied on an assessed valuation of real and / or personal property. The County’s property tax calendar is from July 1st through June 30th and revenue is recorded in the year for which they are levied. Property tax bills are due November 15th for the same year

50101 Property Taxes: Prior Year

Use this cost element for property taxes collected from the previous year’s tax levies and recorded as revenues in the current year.

50102 Property Taxes: Penalties

Use this cost element for those revenues derived from failure to pay or file a personal property, industrial or utility tax return on time, as opposed to actual property tax receipts above. Note that separate accounts are used for penalties & interest.

50103 Property Taxes: Interest

Use this cost element for property tax interest assessed on property taxes after their due date. Interest is charged on delinquent property taxes from their due date to the date of actual payment. Note again that separate accounts are used for penalties & interest.

50110 Tax Title

Use this cost element for revenues generated from the sale of properties foreclosed for non-payment of property taxes. There are two examples: 1. properties that have been sold on contracts by the County and payments are received monthly; 2. properties that have been sold by the County and payment received in full. Proceeds the County receives from foreclosed

property sales are unrestricted.

**50112
Gov't Shared:
General**

Use this cost element for general revenues shared from other governments. Examples include shared revenues from the State of Oregon for cigarette taxes, timber taxes, amusement taxes and local liquor taxes from the Oregon Liquor Control Commission. Ad valorem tax revenue is also recorded to this account. The shared revenues recorded into this account are general revenues and unrestricted.

**50115
Lottery
Revenues**

Use this cost element for lottery revenues. These revenues are unrestricted and include revenues from Video Poker received from the State of Oregon periodically.

**50116
In Lieu of Tax:
General**

Use this cost element for revenues the County receives in lieu of taxes. These revenues are unrestricted, and include US Forest Service reserve payments and Federal Bureau of Land Management payments in lieu of taxes. The County also has agreements in place with two corporations for payments in lieu of tax. These agreements are with LSI Logic (for 15 years) and with Microchip Technologies (for 7 years).

Use cost element 50117 for restricted in lieu of tax payments, such as those received for the O&C land grant.

**50120
Transient
Lodging Tax**

Use this cost element for revenue generated by a tax imposed on the transient rental of lodging / hotels in Multnomah County. The City of Portland collects all taxes within the City and transfers them to the County monthly. All other hotels in Multnomah County pay directly to the County on a quarterly basis.

**50130
Motor Vehicle
Rental Tax**

Use this cost element for revenues generated by a tax on the rental of motor vehicles from commercial establishments doing business in Multnomah County.

**50140
County Gas Tax**

Use this cost element for revenue generated from the consumption / sale of gasoline within Multnomah County. It is received monthly from the Oregon Dept of Transportation.

<p>50150 County Marine Fuel Tax</p>	<p>Use this cost element for revenue generated from the consumption of marine fuel within Multnomah County. It is received monthly from the Oregon Dept of Transportation.</p>
<p>50160 Business Income Taxes</p>	<p>Use this cost element to record revenue generated by a tax imposed on all business income within the City of Portland and Multnomah County. The tax is based on net income (gross income less certain deductions permitted by law). All businesses with gross income of \$25,000 and over must file. It is collected by the City of Portland and paid to the County approximately every few days.</p>
<p>50165 Personal income taxes</p>	<p>Use this cost element to record revenues raised by Multnomah County's Temporary Personal Income Tax. This tax was effective January 1st, 2003 and ran through the end of 2005. The tax is 1.25% of Oregon taxable income after deducting an exemption (\$5,000 for joint filers and \$2,500 for a single filer). This tax measure provided for three years of bridge funding for Multnomah County schools, senior and low-income health services and public safety needs.</p>
<p>50270 Interest Revenue</p>	<p>Use this cost element to record interest earnings. Examples include Interest earned on Investments, Property Taxes, Business Income Tax and Tax Title revenues.</p>
<p>50302 Donations – General</p>	<p>Use this cost element for those donation revenues that do not qualify as program or capital revenues and are unrestricted in their use. They would not be capital in nature (i.e., land or buildings) nor restricted for a specific program.</p>
<p>50360 Miscellaneous</p>	<p>Use this cost element for miscellaneous revenues. Examples of County miscellaneous revenues are reimbursements from employees and volunteers for things like personal travel, photocopies, and phone calls; and for petty cash, cash register, or deposit overages and shortages. Revenue transactions in the Public Guardian Trust Fund are also recorded in miscellaneous revenue. <i>All other revenues should be budgeted in a more specific revenue cost element.</i></p>

Other Revenues

The following are revenue cost elements that are used in limited situations for particular purposes. Please contact your budget analyst if you have questions about budgeting these cost elements.

50000 Beginning Working Capital (BWC)

BWC represents the cumulative excess (deficit) of revenues over expenses (expenses over revenues) from prior fiscal years. The account is in countywide cost centers except for funds 1505, 1513, 1516, and 3500. **Note that** adding beginning working capital (BWC) to the budget after budget adoption **requires a supplemental budget**. Estimate your fund(s)'s ending balance as accurately as you can and **include it as a revenue in your program offers**.

50320 Cash Transfer Revenue

Use this cost element to record scheduled cash transfers between funds. Beginning in FY 2003, the County eliminated the use of General Fund Cash Transfers in the Federal/State fund to provide for a better audit trail and more documentation on Federal/State Fund expenditures for the County's financial reporting.

For budgeting purposes, **use of this cost element must be explained**, with an explanation of **which fund will be reimbursed**. The paying fund **must** be indicated so that the appropriate expense can be included for that fund. Here are two helpful tips to remember when you use this cost element:

- **EVERY** instance of cost element 50320 **requires** a corresponding instance of 60560 in another fund; and
- **ONLY** use this cost element for **interfund** transactions. Put another way: you can't budget 50320 and its corresponding 60560 in the same fund.

If you are using this cost element in your budget, you **must** submit the template created for tracking other internal service reimbursements, found on the Mint [here](#). Contact Mike Jaspin at x28594 if you have questions about budgeting cash transfers between funds.

50330 Financing Proceeds

Use this cost element to record proceeds from the issuance of debt, such as bond proceeds. **Always budget the full amount of the debt issue**.

50370 Departmental Indirect Revenue

Use this cost element for revenue generated by the departmental portion of the indirect cost plan. This revenue may be used for departmental support costs not recovered directly.

Appendix B: Internal Service Components

Internal Service Component Detail	County internal service rates capture the costs of many County operations. This summary provides additional detail about the component parts of internal service charges described elsewhere in the Budget Manual.
FICA 60130	The Federal Insurance Contributions Act (FICA) is a payroll tax imposed by the federal government on both employers and employees to fund Social Security (6.2% of payroll up to \$110,100) and Medicare (1.45% of payroll). Departments are charged for the employer share of this tax.
PERS 60130	The blended County PERS rate for FY 2013 is approximately 17.1% of payroll, excluding the employer “pick-up.” Rates for the county are based on an actuarial analysis of Multnomah County payroll data and the demographic characteristics of our employees. This rate is established based on PERS financial position as of December 31, 2009 and varies depending on type of service (general vs. sworn officers) and PERS Tier.
PERS Bond 60130	The PERS Bond rate for FY 2012 is 6.5% of payroll. Like many jurisdictions, Multnomah County issued Pension Obligation Bonds in 1999 as a way to finance its unfunded PERS liability. The rate charged to support debt payments has fluctuated slightly over time. It is designed to not only recover annual debt payments but to provide for reserves required by bond covenants. Had the County not issued the bonds the rates we are charged by PERS would be much higher than they currently are.
Tri-Met Tax 60130	The Tri-Met Payroll Tax for FY 2013 will be .69%. Employers within the Tri-Met service area are assessed a payroll tax to cover operating expenses of the Tri-Met system.
Life, LTD, and STD Insurance 60140	Basic Life Insurance, Long-Term Disability Insurance, and Short-Term Disability Insurance are paid for through a rate of 0.75% charged against payroll. The County provides basic Life and Long-Term Disability Insurance at no cost to employees. Levels and terms of coverage are based upon bargaining units, employment status and annual salaries. Full-time employees represented by a union or bargaining unit may apply for Short-Term Disability insurance.
Retiree Health Insurance 60140	The cost of retiree health insurance premiums is recovered through a 2% charge against payroll. The County offers retiree medical coverage to retired employees if they meet certain age and years of service criteria. Generally, the coverage extends from age 58 until the retiree is eligible for Medicare. The County subsidizes half the cost of the retiree premiums

Appendix B: Internal Service Components

	and prescription drugs. The rate includes an annual contribution toward the County's unfunded liability for retiree medical costs.
Unemployment Insurance 60140	The unemployment insurance rate for FY 2012 is 0.6% of payroll. The County pays unemployment claims through the State of Oregon. The rate charged against payroll is assessed each year and has varied depending on the volume of claims submitted, ranging from 0.25% to 0.8% of payroll over the past ten years.
General Liability and Workers' Compensation 60140	Each department has a separate rate for Liability and Worker's Compensation, which can be found in the Cost Element Definitions in Appendix A. The County is self-insured for Liability and Worker's Compensation insurance. Department rates are set based on an actuarial analysis of the historical claims of each department. The Liability rate also includes the cost of the County Attorney's Office.
Benefits Administration 60140	The cost of managing the County's benefit programs is recovered through a 0.9% charge against payroll. Those costs include staff time, the Wellness program, and the contractually negotiated annual Tri-Met pass benefit. Approximately half the rate pays for the bus pass program.
Central Indirect 60350	The FY 2013 Cost Allocation Plan identifies and distributes the cost of administrative services provided by the Auditor, Budget Office, Finance Division, and Human Resources—to grants and contracts at a flat County-wide rate. The County's annual cost allocation plan, as well as prior-year plans, can be found on the General Ledger Mint page, here .
Departmental Indirect 60355	Departmental administrative costs not charged directly to grants are included in the departmental rates indirect costs and charged to grant and contract-funded County programs. The County's annual cost allocation plan, as well as prior-year plans, can be found on the General Ledger Mint page, here .
Telecom 60370	<p>The Telecom Section of Information Technology provides telephones, long-distance, fax machines, credit card terminals, alarm units, advanced digital phone service, and videoconferencing stations throughout the County. Service rates include costs of personnel, circuits, licensing, maintenance, and hardware (servers, switches, telephones and other "end point" hardware).</p> <p>As of FY 2012 Telecom rates will not include mobile phone hardware or billing, pagers, moves and projects, new desktop phones, or specialized equipment. Data on past usage and charges is still available by contacting</p>

Appendix B: Internal Service Components

the Telecom Section.

IT Charges 60380

IT has changed the methodology and drivers it will use to recover costs in FY 2013. Please see the IT Rate Model Boxology for details about drivers and how costs will be allocated on the Budget Office's website [here](#).

Fleet Services 60410

Fleet Services uses actual costs - time and material - and mileage costing to recover expenses. There is a minimum usage charge based on miles traveled; customers pay the minimum cost for usage up to the first 500 miles per month with an additional charge per mile above 500. Usage below the minimum raises the true per mile cost of usage. Fleet is within the Fleet Fund.

Electronics Services 60420

Electronic Services uses actual costs combined with maintenance rates to recover expenses. Maintenance rates are based on historical tracking of costs to maintain the equipment. Electronic Services in-sources, which allows us to spread costs to a wider base of customers. Electronic Services is within the Fleet Fund.

Facilities: Base Charges 60430

Facilities Base charges are allocated to departments based on a per-square-foot charge and by space type. The rates cover costs associated with operating County buildings, including testing and maintaining all building systems, maintaining and repairing walls, floors, ceilings, doors and windows, and roofs, custodial services and supplies, landscape maintenance, and signage.

Facilities: Enhanced Services 60430

Facilities Enhanced services include additional custodial services, landscaping, security, and window washing. Enhanced service levels can be negotiated through Facilities, and are paid for with department or program funds.

Facilities: Capital Improvement & Asset Preservation 60430

Occupants of County-owned buildings pay a fee per square foot of space to the Asset Preservation and Capital Improvement Funds. For FY 2013, the rate is \$3.05 per square foot of space. This amount represents two years worth of 8% increases. In FY 2012, the County paid for the annual increase with one-time only General Fund.

These fees fund the County's Five-Year Capital Improvement Plan, developed annually by Facilities and County department staff. Facilities capital projects are chosen for funding based on criteria that include safety, the integrity of the building envelope, legal compliance, major system maintenance, operational savings, tenant moves and building disposition potential. Funds are assigned to projects annually based on

Appendix B: Internal Service Components

the highest-scoring projects. The County's FY 2012 Capital budget can be read [here](#).

Facilities: Debt Service 60430

Occupants of County-owned buildings pay debt service on any debt associated with the building. Debt service varies by building and by debt issue. The County's debt schedules can be reviewed [here](#).

Records Management 60460

Records' operating costs are charged to Departments and Agencies based on a prorated percentage of usage during the prior fiscal year, including record actions (retrievals, re-files, etc), boxes accessioned into the facility, and boxes stored in the facility. The Records Management Program is part of the Distribution Fund and its budget is based on a cost allocation system.

Distribution Services 60460

Distribution's rates are based on delivery stops, US Mail sent, and special services requested, each with a set fee associated. Most of the rate comes from the number of mail stops. Volume of mail comprises the rest of the standard rates as a fee per piece. Distribution Services is in the Distribution Fund.

Central Stores 60460

For FY 2013, the County will no longer budget Central Stores internal services charges in cost element 60460, as we are moving to a Strategic Sourcing model. Costs for the personnel and IT systems associated with Strategic Sourcing will be paid for by the General Fund.

Appendix C: Performance Measures

Introduction to Performance Measurement

Not unlike budgeting, performance measurement is an art unto itself. Performance measurement is the process of developing and using meaningful and objective indicators that can be systematically tracked to assess progress made in achieving predetermined goals. The process requires ongoing data collection to determine if a program is implementing activities and achieving objectives. It typically measures resources, activities performed, and results over time. The data are used to determine the difference between what customers and stakeholders expect and what programs deliver.

Why should the County measure performance?

- Performance measures show progress toward the County's goals and objectives.
- Performance measures help decision-makers refine strategies and improve results.
- Performance measures help build community support for County programs.
- Performance measures help managers deliver expected results. *What gets measured gets managed!*

Sound performance measures are a critical component of the budget process. Departments provide performance indicators as a part of their program offers. The Board uses the information to aid in evaluating the effectiveness of County programs. The Chair's executive budget decisions are based on how well the program contributes to the County's long-term strategies, and what these programs promise to deliver. A properly developed set of performance measures should be:

Meaningful: Measure the right things with the right metric. The measures should show progress toward the County's goals and objectives in a way that is valid. It is important that the collected data actually describe what is being measured.

Consistent: The data used to generate the measurement must be consistently accurate and reliable.

Clear: Think about whether the measure is can be understood by people who are interested in the program. A good test is whether you could explain the measure to an average citizen who is interested in your services.

Avoid Perverse Incentives: Could the measure lead to efforts to reduce quality or outcomes in order to make the numbers look good?

Developing Performance Measures

Developing meaningful performance measures depends on understanding your program's priorities. It is important to measure what matters, not simply what is convenient. This means thinking about what features of your program are important, and to whom. Some measures might be important to staff but not necessarily to the program's customers or to the Board (who ultimately choose the County's programs).

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Effective, meaningful performance measures report what the program is trying to accomplish, where the resources come from and how they are allocated, what activities are being performed, and what output and outcomes are expected. In selecting performance measures, consider the following questions:

- What is the purpose and goal of the program? How does the program support the department's mission?
- Who are the customers or beneficiaries (internal and external) of your program?
- What aspects of program performance are valued by these customers or beneficiaries? What performance standards would our customers, clients, Board of Commissioners, department managers, and grantors like to see us achieve on these measures?
- How can you explain numerically what the program accomplishes to an average citizen who is interested in your services?

Here are some considerations for you as you develop and choose appropriate performance measures for your program offer:

Who should be involved? The appropriate program managers and staff, budget and finance staff, and research and evaluation staff from the department should all be at the table to review and discuss the program offer's characteristics and how to measure performance.

What types of performance measures should be used? Identify what services will be delivered, who the primary customers/clients are, and list the program inputs, outputs, outcomes, efficiency, and quality measures.

What inputs does the program need to function? List the program inputs such as funding, FTE, materials (PCs, fleet vehicles, buildings) they are the resources needed to accomplish the program's goals.

What are the program's activities? Review the program offer description; understand the specific service the program is to deliver. Think about how the program works and how the service is delivered. Briefly list the activities that lead to a product or service being delivered.

What are the program outputs? Identify program outputs; list what was accomplished (e.g., PC's repaired, fleet vehicles maintained, cases managed, people served).

What are the program's results or outcomes? Identify the various outcomes (i.e., results) of the program: both the outcomes expected immediately after the service is delivered (i.e., short-term), the intermediate and the long-term outcomes expected for the clients/ customers who received service. Consider

Appendix C: Performance Measures

benchmarks or industry standards available when considering measure options. Are the outcomes related to the primary function of the program?

How efficient is the program in achieving its results? From the inputs, outputs, and outcomes consider efficiency indicators: how much does it cost in staff or dollars? How long it takes (hours or days) to get an output or outcome? Are there any efficiency mandates that need to be addressed?

Performance Measurement Challenges

There are challenges in capturing and conveying information on performance measures. Sometimes direct measurement is difficult or costly. Often, however, measurement difficulties are due to unclear program outcomes. Clarifying the program results will go a long way towards developing meaningful measures. Below are several common reactions to using performance measures.

You can't measure what I do. Areas thought to be unmeasurable, such as prevention, education, and even international relations, have been shown to be measurable if someone is motivated and creative enough to pursue an innovative approach. In some cases, the outcome of a program may not be realized for many years – a problem that can be addressed by identifying meaningful output-oriented milestones that will lead to achieving the long-term outcome goal.

The measures aren't fair because I don't have total control over the outcome or the impact. It is rare for a program to have total control over the outcome. At the same time, if a program cannot demonstrate any impact on the desired result, then why should it be funded?

Often programs from various departments all contribute to achieving the same goal. The contribution of any one program may be relatively small or large. One approach to this situation is to develop broad, yet measurable, outcomes shared by a collection of programs, while also having program-specific performance goals.

It will invite unfair comparisons. Comparisons between programs happen all the time as part of the budget process, whether programs invite it or not. Program information is not limited to performance results: clearly articulating the program's target audience and services can limit apples-to-oranges comparisons. Consider working with other programs of similar design to use the same measures.

Performance data will be used against the program. Demonstrating transparency and accountability, even when the news is not so good, inspires trust, gives the program performance data credibility, and shows that the departments understand their programs and the difficulty of providing services. If programs are open about the need to improve, most people will give a program the benefit of the doubt as long as programs demonstrate improvement plans.

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We don't have the data or we can't get the data. Considering the investment the County has made in information technology, it is hard to believe that performance data are not available. Collecting it can be as simple as a desktop spreadsheet using information collected from a hard-copy log. What is important is that critical indicators of success are identified and measured consistently and conscientiously.

We don't have the staff resources to collect the data. Programs are understaffed everywhere. Dedicating a small percentage of a program's staff time to collecting data on thoughtful measures and using the data to manage for results will generally save more time than would be spent correcting problems down the road.

We don't know how to measure prevention. Programs with a prevention focus can be difficult to measure for a variety of reasons. Most importantly, measuring prevention requires consideration of what would happen in the absence of the program. Also, it is often difficult to isolate the impact of the individual program on behavior that may be affected by multiple other factors. If performance measures reflect a continuum from lower-level outputs to higher-level outcome measures related to the overall goal, it is important for prevention programs to choose measures that are far enough along the continuum that they tie to the department's overall priorities as well as to the program's activity. This will help ensure that the measures are both meaningful and genuinely affected by the program.

There are programs where failure is not an option. For programs where failure to prevent a negative outcome would be catastrophic, such as programs to prevent terrorism or a pandemic disease outbreak, traditional outcome measurement might lead to an "all-or-nothing" goal. As long as the negative outcome is prevented, the program might be considered successful, regardless of the costs incurred in prevention or any close calls experienced. In these cases, proxy measures can be used to determine how well the deterrence process is functioning. These proxy measures should be closely tied to the outcome, and the program should be able to demonstrate how the proxies tie to the eventual outcome. Because of the risk, multiple proxy measures should be used. Failure in any one of the safeguards would be indicative of the risk of an overall failure.

Appendix D: Style Guide

Style Guide

Thanks to Emily Johnston at Editwest

The work of Multnomah County affects the lives of everyone who lives here and is vital to the County’s most vulnerable citizens. The annual Budget is a place where the County gets to describe its work – and the basis for important funding decisions and a way to keep citizens informed about our services. Departments are responsible for writing a number of important narratives in the Budget, including program offers, Department Narratives, and Division Narratives. What follows are general instructions for style, punctuation, grammar, and related considerations for composing these narratives.

Things to avoid

- **Avoid unnecessary wordiness or repetition. Be specific but brief.** It doesn’t sound more impressive to use more words: for example, that the administration of a division “oversees, provides guidance to, administers, and manages the division”. These verbs all mean approximately the same thing, so choose one of them.
- **Avoid jargon.** While specialists understand the difference between *emergent literacy behaviors* and *reading*, the former phrase is ungainly and unnecessary. Generally, a simple overview is best: *the program helps children learn to read*. If a program is devoted solely to pre-reading skills, one can say so, of course, but it’s best to do so with detail rather than jargon: for example, *the program focuses on encouraging the skills that lead to reading*.
- **Avoid overly general phrases.** For example, “promote positive change”. Be specific; is the program offering anger management classes to offenders, or encouraging children to stay in school, or working with poor pregnant women to improve their diets? Say so! These are important things!
- **Avoid hyperbole.** The County’s economic troubles may have many dramatic results, but highly dramatic language is out of place in the budget. Details and facts can speak quite persuasively about the condition of the community, and are best left unembellished.

Grammar and Punctuation

All of the basic rules of grammar and punctuation are designed to make life easier for the reader. If a sentence is properly punctuated, the reader can understand what parts of it are attached to what other parts, and the whole is absorbed fairly smoothly. Punctuation can be likened to road signs; if you want to stay on Route 36 and you come to a junction of five roads, then if one has an arrow, you take it almost without thinking, but if it’s not there, you are forced to stop and examine the roads to see which one is likeliest to be correct. It’s this kind of confusion, however momentary, that disrupts the flow of language and obscures meaning.

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Punctuation also attempts to replicate the sound of spoken language, with its almost unnoticed pauses and emphases. Often, if you hear a sentence in your head, and place commas where you hear small pauses, like these ones, you'll be on the right track. Semicolons are a bit more subtle. They often link two thoughts that could be wholly separate sentences, but that are intimately connected; oftentimes the section after the semicolon helps to explain the one before.

Parallel Structure

When creating a list (whether bulleted or in a regular sentence), it's important for the sake of clarity and ease of reading that all parts of it have the same form. Thus, the division will work to:

- improve access to healthcare,
- lock up all the bad guys,
- turn bad guys into decent guys, and
- save the world.

This is clear, if ambitious; all the verbs have the same form. But this is less so:

The division

- improves access to healthcare;
- to lock up all the bad guys
- turning bad guys into good guys,
- is saving the world.

Check to see that each list item logically flows from the beginning of the sentence (that's the portion that begins "The division").

You *may* use semicolons or commas or even periods to set off list items, but you don't have to. If you *do*, though, you must be consistent. In the first example above, the use of commas shows clearly that this is a sentence that could appear on the page without bullets; that's why there's an *and* after "guys". You could also have a bulleted list in which each bullet is a full sentence; again, the only rule is that there must be logic and consistency.

Generally speaking, you should only use semicolons in a list when there are commas within the items of the list—again, this is a matter of emphasizing what goes with what. *"The division will improve access to healthcare, including dental care; lock up all the bad guys, bad gals, and rotten kids; turn bad guys into decent guys; and save the world."*

In that sentence, the commas emphasize that "including dental care" goes with improving access to healthcare, and "bad gals, and rotten kids" go with the bad guys. If there were only commas in this list, no semicolons, the

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reader would have to make more of an effort to distinguish the shape of the list and the meaning therein. The semicolons say helpfully *here's another list item* and point you back to the main road after your small detour.

Dangling and Misplaced Modifiers

For the sake of clarity, it's extremely important to order your sentences in a way that makes clear who is doing what.

"Eating the entrails of a small deer, the campers saw the lion, and ran."

Well, perhaps the campers did eat a small deer, but it's unlikely.

"Working with offenders to improve their job-hunting skills, the law requires that these programs be evidence-based."

This sentence is even messier, because nothing acts as an anchor for *working with offenders to improve their job-hunting skills* (that's why this modifier would be said to be *dangling*); *the law* is clearly not what the clause modifies, but the phrase *these programs* seems too far away. Reworking the sentence just a little bit fixes this:

*"Working with offenders to improve their job-hunting skills, **the staff** uses evidence-based techniques that satisfy federal law."*

Strange and Ornery Details

About commas in a series: in life, you may choose whether you want to have a comma after the second-to-last item in a series (the one before the word "and"). You can say *beans, apples, and carrots*. Or you can say *beans, apples and carrots*. Either one of these is perfectly correct. Some highly regarded sources choose one, some choose the other. For the purposes of the budget, please use a comma prior to the "and" in a list: *beans, apples, and carrots*.

Capitalization: when it comes to states and counties, this is a sticky one, and again, reliable sources have differing opinions. In newspapers, for example, you will probably never see *County-funded*. In government publications, however, you usually will. As the budget is a government publication, please observe this rule: whenever you are using the word county as a shorthand for "the government of Multnomah County", capitalize it. Ditto for state being shorthand for "the government of the State of Oregon". Thus:

- a program run by MC is a County program,
- funding we receive from Oregon is State funding, and
- State jobs are reasonably secure jobs, with good benefits

but

- programs are often countywide,
- we live in the state of Oregon, and

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- unemployment in the state is nonetheless high.

Federal is the trickiest; it needs the capital much less, because it's more specific—it *always* refers to the government, rather than a geographical area. Many publications capitalize it simply for consistency with the above distinctions (i.e., it's shorthand for "the government of the United States of America"); many don't, because there's nothing it might be confused with.

Hyphens: this may be the stickiest area of all, because language changes, and hyphens sometimes represent language in transition. First, it's important to remember the function of various parts of speech. An adjective, for example, modifies a noun. (What kind of bus? A *yellow* bus.) An adverb can modify a verb (*run quickly*), **but it can also** modify an adjective; e.g., a *federally funded* program. In that phrase, *funded* is an adjective describing the program, and *federally* explains *how* it was funded, just as *quickly* describes *how* someone runs.

The confusion can arise because there are some words for which we don't have appropriate adverbs—*stately*, although an excellent word, is an adjective, and has nothing to do with states. In these cases, we often use hyphens to clarify, because we have to use a non-adverb (a noun, adjective, or even preposition) in a way that makes it function as an adverb (i.e., modifying an adjective, telling us the *how* of that adjective). Thus, in the phrase *state-funded programs*, we are using a noun, *state*, to modify the adjective *funded*; we use the hyphen to clarify what is being modified, *funded* rather than *program*—this might not be a state-run program, after all. Essentially, the hyphen helps us lump things together—a yellow-bellied sapsucker isn't yellow all around; only its belly is yellow. Similarly, even the quickest of readings won't make us think that a high-maintenance worker is a maintenance worker using illegal substances. The goal, as with all punctuation, is clarity; make things easy on the reader.

Some phrases with hyphens (or even without) become so much a part of the language that the hyphen drops away. *To-day* used to be the correct spelling of *today*. *Health care* is now *healthcare*. Because the use of hyphens is so variable, you will often have a choice as to whether to use one or not. But *do not use a hyphen with an adverb, as this is wholly unnecessary*. Well funded, highly regarded, and federally mandated are all perfectly clear without hyphens, and to use one would be incorrect, because *well*, *highly*, and *federally* are all adverbs, and there is no confusion about what they modify.

Spaces after a Period: don't date yourself! No one under 30 has ever even *heard* of using two spaces after a period. This is a relic from the days of typewriters. Computers use something called kerning to ensure that there is enough space between words, and a single space after a period has been the

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standard for well over a decade.

Ensure, Insure, Assure: please use *ensure* when you want to say that you will make sure that something will happen. *Insure* is for insurance companies, and *assure* is best used in the same way that *reassure* is—i.e., you assure *someone*. *Assure can* be used as a synonym for *ensure*, and for legal documents it often is, but for general use, *ensure* is a better choice.

Numbers: again, this is an area where the rules are fairly random. Generally speaking, in non-scientific texts, one spells out numbers less than ten, and uses numerals for 10 or more. One exception to this rule is that numbers that begin a sentence should be spelled out, for example:

Fifty-one girls were served by the program in 2003.

Another exception is it's more common to say 3% rather than three percent or three %.

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Principles and Values of Fiscal Management

These principles and values are applicable to all County employees in all circumstances.

1. You are a County employee first. Often we are asked to wear multiple hats: we represent our departments, our operating units, the interests of our clients and our funding sources. However, we always hold the interests of the County first.

2. It is not your money - other people decide on its use. Integral to our form of government is the appropriation process. Authority to spend public resources is derived only from the Board of County Commissioners. Always remember that the definition of appropriation includes both an amount and a specific purpose. Appropriation is a tool that the Board uses to enact the policies that it makes.

3. Don't hide behind the budget to avoid doing what needs to be done. While seemingly at odds with the previous principle, this principle speaks to finding the balance between respecting the policy directions of the Board and exercising personal responsibility and judgment. The Board operates at the policy level. We find the best ways to implement those policies. While budgets may be changed, opportunities lost may be lost forever.

4. Comply with the conditions of grants. Perhaps a corollary of the 'it's not your money' principle. While we derive all spending authority from the Board, other partners may also have a say on how money is spent. Grantors in particular get to call the shots on grant resources. Respect the terms that govern grants; be sure to pass them on to sub-recipients as required.

5. Always know and strive to collect the full cost. When negotiating with funding sources, always negotiate the County's best deal. Be sure to include all overhead costs. Be sure to assess and collect Indirect Costs. Charge and collect for everything you can.

6. Always charge things the way they happen. Budgets are estimates. Expenses and collections are actual events. Record financial transactions where and how they happen, not how they were budgeted to happen. There will always be a variance between budgets and actual experience; the size and nature of this variance is useful information.

7. Shout "fire" when there is smoke. Problems happen, mistakes are made, things go wrong. When change is necessary, communicate. Don't compound problems by allowing them to continue.

8. Forecast revenue cautiously. The amount of our authority to spend public resources is based on our estimates of how much revenue we will

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bring in. The County accepts some risk taking in making estimates; however, the County's approach is generally conservative.

9. Do not "spend down" your General Fund budget at year end. Related to the first principle regarding wearing your County hat first. While it may be in the best interest of a program or unit to spend down your General Fund resources at year end, or to spend General Fund when grant resources could be spent instead, it is generally not in the County's best interest. Spend wisely all year long. Always spend other people's money before spending the County's money.

County Financial Policy Statements

Following are the County's FY 2012 Financial Policy Statements. For additional information on these policies, please refer to the FY 2012 Budget.

Financial policy statements are reviewed and recommendations for change are made on an annual basis. For questions on the County's financial policies, contact your budget analyst, or review the [current policies](#) on the Mint.

General Fund Financial Forecast

The Board of County Commissioners recognizes the importance of developing a combined revenue and expenditure forecast. The Budget Office will prepare a five-year financial forecast for the General Fund to assess the long-term financial implications of current, as well as proposed, policies and programs. The forecast will detail assumptions regarding both short-term and long-term financial issues facing the county. Those assumptions will guide the development of appropriate financial strategies to achieve the goals outlined above.

Budgeted General Fund Reserves

The Board understands that to avoid financial instability, continuing requirements should be insulated from temporary fluctuations in revenues. It is the goal of the Board to fund and maintain a General Fund budgeted reserve, designated as unappropriated fund balance and funded at approximately 10% of the "corporate" revenues of the General Fund. Corporate revenues are defined as revenues that are available for general use and over which the Board has complete discretion.

Tax Revenue

The Board recognizes that taxation is necessary to provide public services to the citizens of the county. When considering changes to the County's tax structure, the Board will consider:

- the ability of taxpayers to pay the taxes;
- the impact of taxes imposed by the County on other local governments;
- the effect of taxes on the county economy;

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- the administrative and collection costs of the taxes; and
- the ease with which the taxes can be understood by taxpayers.

Uses of one-time-only resources

It is the policy of the Board that the County will fund ongoing programs with ongoing revenues, and to restrict the allocation of one time revenues to nonrecurring expenditures. Examples of one time revenues include:

- Proceeds on the sale of capital assets
- Business Income Taxes collected in excess of budgeted revenues
- General Fund ending fund balance in excess of budgeted balance

When the County budgets unrestricted one-time-only resources, the Board will consider setting these funds aside for reserves or allocating them to projects or programs that will not require future financial commitments. The Board will consider the following when allocating these one-time-only resources:

1. The level of reserves set aside as established by these Financial and Budget policies adopted by the Board.
2. The County's capital needs set out in the five-year Capital Improvement Plan or Information Systems Development Plan.
3. One-time only spending proposals for projects or pilot programs, particularly investments that may result in innovative ideas or technology, long-term efficiencies or savings that do not require ongoing support.
4. Bridge or gap financing for exiting programs for a finite period of time.

Transportation Financing

It is the policy of the Board to support statewide and regional funding for transportation-related needs. If state and regional funding is inadequate, the County works with jurisdictions within its boundaries to address the transportation funding needs of local governments.

Indirect Cost Allocation

It is the policy of the Board to recover from dedicated revenue sources the full cost of programs supported by those sources. The full cost includes the appropriate proportionate share of the cost of County administrative overhead functions attributable to programs funded with dedicated revenues.

Federal-State Grant and Foundation Revenue

When applying for a grant, the Board will consider:

1. Opportunities for leveraging other funds to continue the program.
2. The amount of locally generated revenue required to supplement the revenue source.
3. Whether the revenue will cover the full cost of the proposed program, or whether the County is expected to provide program support and administrative overhead. It is the intent of the County to recover all costs related to grant and foundation revenues.
4. The degree of stability of the funding source.
5. Whether decline or withdrawal of the revenue creates an expectation that the County will continue the program.

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6. How County programs can maximize revenue support from state or federal sources.
7. Whether the funds are used for pilot or model programs and will result in a more efficient and/or effective way of doing business.
8. Whether the funds are aligned with the County's mission and goals

User Fees and Sales

It is the general policy of the Board that user fees and service charges be established at a level to recover the costs to provide services. Exceptions to this policy will be made depending on the benefit to the user of the service, the ability of the user to pay for the service, the benefit to County citizens, and the type of service provided.

Long term Liabilities

It is the goal of the Board to fully pre-fund all benefits including retirement benefits, with the exception of other post-employment benefits (OPEB). With the exception of the liability for compensated absences, GASB pronouncements require long-term liabilities to be assessed and disclosed and in the County's comprehensive annual financial report.

Accounting and Audits

It is the goal of the Board to maintain a fully integrated automated financial system that meets the accounting and reporting needs of the County. This financial system is to include general ledger, accounts payable, accounts receivable, materials management, purchasing, human resources, payroll, and cost accounting for all applicable operations.

General Fund Emergency Contingency

It is the policy of the Board to establish an emergency contingency account in the General Fund, as authorized by ORS 294.352, each fiscal year during the budget process. The account will be funded at a level consistent with actual use of transfers from contingency during the prior ten years. To maintain financial stability, the following guidelines should be used by the Board in considering requests for transfers from the General Fund Contingency Account:

1. One-time-only allocations.
2. Contingency funding limited to the following:
 - a) Emergency situations which, if left unattended, will jeopardize the health and safety of the community.
 - b) Unanticipated expenditures necessary to keep a public commitment or fulfill a legislative or contractual mandate, or which have been demonstrated to result in significant administrative or programmatic efficiencies that cannot be covered by existing appropriations.
3. The Board may, when it adopts the budget for a fiscal year, specify programs it wishes to review during the year and increase the Contingency account to provide funding to support those programs if it chooses. Contingency funding of such programs complies with this policy.

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Liquidity	The County will strive to maintain a liquidity ratio of at least \$1.50 in cash and short-term investments to each \$1.00 of current liabilities. This is higher than the credit rating's acceptable ratio and is necessary given the County's lack of revenue diversity and the volatility of the Business Income Tax revenues.
Capital Asset Management	The Board recognizes that adequate operations and maintenance funding is essential to avoid costly reconstruction or replacement of capital assets. The five-year Capital Improvement Plan shall provide for anticipated major improvements and maintenance to County capital assets as well as additional and replacement capital assets. The Plan shall include major construction to be undertaken by the County, no matter what the funding source. The Plan will be reviewed and updated annually. The Capital Improvement Plan shall identify adequate funding to support repair and replacement of deteriorating capital assets and avoid a significant unfunded liability from deferred maintenance. In order to facilitate capital improvement discussions and to create a clear alignment of policy and funding, the Facilities and Property Management Division shall evaluate all owned County facilities and shall maintain a current list of facilities which are in substantial compliance with all applicable building codes and which have no required capital work. The Board will make the final determination on the best use or disposition of the property identified.
Fund Accounting Structure	Each year the Chief Financial Officer is responsible for preparing and presenting a resolution to the Board defining the various County funds. The County will adhere to Generally Accepted Accounting Principles and GASB when creating a fund and determining if it is to be a dedicated fund.
Internal Service Funds	The County will establish the following internal service funds for these services: <ol style="list-style-type: none"><li data-bbox="500 1419 1409 1451">1. Risk Management Fund – risk management and insurance coverage<li data-bbox="500 1457 1338 1488">2. Fleet Management Fund – motor vehicle, fleet and electronics<li data-bbox="500 1495 1295 1526">3. Information Technology Fund – data processing operations<li data-bbox="500 1533 1370 1606">4. Mail / Distribution Fund – mail distribution, records and material management operations<li data-bbox="500 1612 1377 1682">5. Facilities Management Fund – management of owned and leased property.
Banking, Cash Management, and Investments	The Chief Financial Officer (or designee) is authorized to act as "Custodial Officer" of the County and is responsible for performing the treasury functions of the County under ORS 208, 287, 294, and 295 and the County's Home Rule Charter. In carrying out these functions, the Chief Financial Officer is authorized to establish a financial policy that meets generally accepted auditing standards relating to cash management.

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Debt Financing The County's current philosophy is to issue debt for public projects that will benefit the citizens responsible for paying the debt service. This is known as "pay as you use" financing for capital projects. All financings are to be issued in accordance with the County's Home Rule Charter and applicable state and federal laws.

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Budget Boot Camp

Budgeting is a fact of life in government and living within it is part of management. In Oregon budgeting has some unusual bells and whistles. This outline is aimed at hitting the high points and providing a context for the nit-picking that occurs during the year.

- Budgeting is based on certain fundamental concepts.
- Some of these concepts are embodied in law
- Some of these concepts are part of management responsibility
- All of them come together in the document and the authorizations it gives.
- Knowing helps you get what you need.

Basic Language

Budget is a financial plan matching **authorized expenditures** with **estimated resources**. Slippery Truths:

- THERE IS NO MONEY IN A BUDGET
- BUDGET IS FICTION.
For fact, consult an accountant
- Budgeted revenue is an ESTIMATE of income.
- Budgeted expenditures, appropriations, are PERMISSION to spend.

ORS 294.435 says the governing body shall make appropriations when it adopts the budget; “(4) Thereafter no greater expenditure . . . of public money shall be made for any specific purpose than the amount appropriated therefor. . .”

Appropriations are authorizations by the Board to spend up to a certain amount of the County’s money. *It does not matter where that money came from, it belongs to the County. No one can legally spend it on anything without Board authorization.* There are different kinds of appropriations:

- Departmental appropriations – personnel costs, contractual costs, materials and supplies, capital
- Interfund appropriations – cash transfers
- Fund level appropriations – Contingency accounts – for “unforeseen situations or situations where the amount could not be known when the budget was adopted,” and:
- The Odd Fellow: Unappropriated Balance
 - It’s not an appropriation because it is not an authorization to spend.
 - It’s a commitment to leave some amount of revenue unspent for a fiscal year, to carry it over into the next year.
 - It is also a reserve against possible revenue reductions – a margin between spending and income

Spending more than has been appropriated

ORS 294.100 says “It is unlawful for any public official to expend any money in excess of the amounts or for any other or different purpose than provided by law. **Any public official** who expends any public money in excess of the amounts, or for any other or different purpose or purposes than authorized

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by law, **shall be civilly liable** for the return of the money. . .

The Cornerstone of the Law: ORS 294.381

Generally, [local budget law](#) is a slightly klutzy checklist of actions to take. But *one section* drives many of the procedures that seem the most arbitrary. That section determines **How much property tax?**

The law is built to limit property taxes. Therefore, it makes it difficult to spend other revenue if that revenue was not accounted for when the budget was adopted and property taxes were levied. The theory is that all non-property tax revenue **ought** to REDUCE the property tax levy.

Budget Process: the six worthy goals of Oregon Budget Law

State budget law has six stated goals :

- Standardize preparation and administration
- outline government programs and fiscal policy
- estimate revenues, expenditures, and tax levies
- obtain public views
- control revenues and expenditures, improve efficiency and economy, and
- apprise the public, taxpayers, and investors of administration and financial policies.

The Statutory Process (greatly summarized):

- The executive proposes a budget (asks permission to spend)
- The Budget Committee approves a budget (recommends spending, sets upper limits on revenues -- especially property tax) after a public hearing
- Tax Supervising reviews the budget to see that it is legal - at a public hearing
- The governing body adopts the budget - at a public hearing

Our process tries to both obey the law and collect information so that.....

- Authorized spending does not exceed likely revenues;
- All likely revenues are accounted for;
- Policy direction is stated and carried out.

The process has some legal restrictions about timelines and events -- not many. The process is complex because it aims to satisfy so many needs.

The County Budget Preparation Mill

Who does what, when?

- Chair / Board set process and parameters, Budget Office / Departments figure out a process - Fall.
- Departments work on budget request between mid-December and mid-February.

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- Chair reviews request with Departments / Budget Office, proposes spending - Jan -March
- Board holds hearings, authorizes spending- May through June

Dates in the law:

- *Adopt the budget by June 30, levy taxes*
- *TSCC certifies the legality of the budget by June 20*
- *The Board, sitting as the Budget Committee, approves budget in time to give it to TSCC by May 15th.*

What do departments do?

- Figure out what they need to do their job
- Figure out what dedicated and operational revenue will come to the County
- Document these things accurately and on time
- Explain the request so the Chair / Board can grasp it and will favor it
- Analyze program / fiscal impact of decisions

What does the Budget Office actually do?

- Recommend on fiscal matters
- Act as shepherd for the budget process
- Keep departments informed about Chair / Board direction and questions
- Analyze fiscal / program impact of decisions
- Compile budget documents

What do the Chair and Board do?

- Whatever they want!

Two things the law does not encourage

There are two things that Oregon Budget Law does not allow:

- Increases in appropriations except grants
- Uses of unappropriated balance

Managing the Budget

Manage to avoid trouble! The budget is how the Board gives **permission** to spend County money, regardless of the source of the funding. Remember – spending more than the Board authorized is illegal. The penalty of spending more is possibly to pay it back yourself. You should manage your budget to try to minimize that possibility.

Where do you get information to manage?

SAP contains the County's actual accounting records – what the external auditors audit. Information in SAP is live. The major SAP Modules that contain the information you need to manage are:

- Funds Management (FM): where the legal budget lives.
- Controlling (CO): where personnel (and other) costs are reported.
- Project System (PS): where the County budgets for grants.
- Human Resources (HR): home of all personnel information.

In SAP, each financial system module is structured differently.

Appendix E: Budget and Financial Background

- In FM, you can see budget and actual data by fund.
- In CO, you can see budget and actual data by cost center, but not by fund.
- In PS, you can see budget and actual data down to 99 levels of detail!

Who do you call?

- If you want training in SAP, call (503) 988-HELP (4357).
- There is SAP help information [here](#), too.

Part I: Watch your expenditures

Keep track of what you are spending! Estimate where you will be at the end of the year.

1. Look at your financial reports in SAP.
2. Divide total expenditure by the percent of the year that has passed, compare it to budget.
3. Multiply the last month's expenditure by the number of months left in the year, add it to total expenditure, and compare it to budget.

Are you spending less than budget? Sleep well! Unless it's close. If it's close, take a closer look.

1. Assume less of the year has passed.
2. Do the calculations again

Are you spending more than your budget? Figure out why:

- Is it an estimate problem?
- Are there big "one time" payments?
- Has someone else charged their costs to you?
- Is it a personnel problem?
- Have you hired too many employees?
- Are your employees costing more than you thought?
- Is it an unbudgeted cost?

Once you figure it out, tell someone--in your department, or your budget analyst. Think of a way to solve it.

- Can you hold a position vacant?
- Can you squeeze Materials & Services?
- Can you delay starting something?

If you can't solve it, who can? Within your department, is someone else going to underspend? Can someone else be persuaded to underspend? If not, you can request a modification to your budget.

Part II: Watch

What if revenue is less than budget estimates? The process for estimating

Appendix E: Budget and Financial Background

your revenues

operational revenues parallels the process for estimating expenditures.

Is there another available revenue source to make up the difference?

- Yes: Adjust both estimates and go on with life.
- No: Then adjust spending.

Or ask for help (just as you would if spending was going over budget)

What if you are getting more money than you thought? *You should ask the Board's permission to spend more County money, based on an increased revenue estimate.*