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**DOUGLAS COUNTY ADMINISTRATIVE  
POLICIES AND PROCEDURES**

**NUMBER:** 300.20  
**EFFECTIVE DATE:** 1/7/2021  
**AUTHORITY:** BOCC  
**COUNTY MANAGER:** \_\_\_\_\_  
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**SUBJECT: BUDGET AUGMENTATIONS AND TRANSFERS**

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- I. PURPOSE:** Douglas County recognizes that being a strong steward of the County’s financial resources is imperative to ensure appropriate use of funds to carry out the County’s business. This policy provides guidance and requirements for augmenting budgets and transferring funds.
- II. POLICY:** The Nevada Revised Statutes (NRS 354.598005) and Nevada Administrative Code (NAC 354) are the basis for the procedures and requirements for augmenting or amending budgets.
- A. DEFINITIONS:**
1. **Budget Augmentation:** Budget augmentations are items that increase the budget of a particular fund. A procedure for increasing appropriations of a fund with the express intent of employing previously unbudgeted resources of the fund for carrying out the increased appropriations (NRS 354.493). An example of a previously unbudgeted resource would be revenue that is projected to be more than the adopted budget.
  2. **Budget Authority:** Douglas County maintains line item budgeting, with the exception of expenditure accounts within the Services and Supplies category, which are taken as a whole. For example, you may be over budget in one line item within the Services & Supplies, as long as the overall Services & Supplies expenditures are within the budget amount.
  3. **Budget Transfer:** Budget transfers do not increase the overall budget of a fund, but are merely reallocating an existing budget within the fund. A procedure for moving existing appropriations between accounts, divisions or departments within the same fund, including from contingency or reserves (if allowable).
  4. **Expense Category:** Expenses are grouped into the following categories within the budget: Salaries & Wages; Employee Benefits; Services and Supplies; Debt Service, Capital; Miscellaneous and Other Financing Uses.
  5. **Function:** A group of related activities aimed at accomplishing a major service or regulatory program for which a governmental unit is responsible, including, without limitation, general government, public safety, health, welfare, culture and recreation, conservation of natural resources, urban development and housing, economic development and assistance, economic opportunity and activities relating to the judiciary (NRS 354.529.)

### III. PROCEDURE:

1. Budget Augmentations:
  1. Submit Budget Augment request to the Finance Department (Finance) with supporting documentation as to increased resources and department approval per the Finance Department Authorization Form. Finance will review the request and incorporate it into the next round of budget augmentations before the Board of County Commissioners (Board).
  2. Budget augmentations will be presented to the Board for approval, with an explanation of the proposed budget augmentation.
  3. Once approved and submitted to the Department of Taxation (if applicable), Finance will post the budget augmentation and notify the department when the augmentation is complete.
  
2. Budget Augmentations from Opening Fund Balance (Carryovers)
  1. The budget related to outstanding encumbrances from the prior year will automatically be carried into the new fiscal year. These encumbrances must be for ongoing purchase orders, not annual purchase orders.
  2. Budgets for ongoing, previously approved capital projects will automatically be carried forward into the new fiscal year. Departments should provide a listing of continuing capital projects with their expected completion dates. New projects or additions to current projects will not be funded through opening fund balance augments, but should be included in the capital improvement plan of the next budget cycle.
  3. The budget for accounts funded by restricted revenue sources will automatically be carried into the new fiscal year.
  4. A listing of budget augmentations for open encumbrances and existing capital projects will be presented to the Board as an item on the consent calendar by September 30<sup>th</sup> of the new fiscal year.
  5. Budget augmentations from opening fund balance will not be used to increase the budget of operating expenditures. The budget for operating expenditures should be funded strictly through the annual budget. If a special circumstances requires a budget augmentation from opening fund balance, it will be presented as a special request to the Board. An example of such a situation be one where a department's budget was augmented late in the fiscal year, but was unable to be encumbered before the close of the prior fiscal year.
  6. If funding is available from Adjusted Opening Fund Balance, and there are no budgetary items that meet the above criteria, it should be augmented to ending fund balance and incorporated into the budget of the following fiscal year.

3. Budget Transfers between accounts within the same Division (same Department, Same Fund) and Expense Category.
  1. Submit Budget Transfer request to Finance with supporting documentation and department approval per the Finance Department Authorization Form
  2. Finance will review the request.
  3. If the request is greater than \$50,000, the request must be presented to the Internal Review Committee (IRC) and will be presented to the IRC for approval with an explanation for the transfer.
  4. Once approved, Finance will post the transfer and notify the department when the transfer has been completed.
  
4. Budget Transfers between different Divisions of the same Department within the Same Fund or Budget Transfers within the same Division but from different expenditure categories.
  1. Submit Budget Transfer request to Finance with supporting documentation and department approval per the Finance Department Authorization Form
  2. Finance will review the request.
  3. Finance will present the request to the Internal Review Committee (IRC) for approval.
  4. Once approved, Finance will post the transfer and notify the department when the transfer has been completed.
  
5. Budget Transfers between funds, contingency or reserves (if allowed):
  1. Will follow the same procedures as Budget Augmentation requests.
  2. NOTE: Budget Transfers are not required to be submitted and approved by the Department of Taxation.
  
6. Budget Transfers from Salary Savings:
  1. Any budget transfer that is funded by salary saving must be approved by the Board.
  2. Will follow the same procedures as Budget Augmentation requests, but will not be submitted to the Department of Taxation.
  
7. Budget Transfers: Capital Projects
  1. Any budget transfer that modifies a capital project budget must be approved by the Board.
  2. Will follow the same procedures as Budget Augmentation requests, but will not be submitted to the Department of Taxation.
  
8. Budget Augmentations: Grants (Refer to County Policy 300.22)

1. Budget Augmentations from grant. At the time the grant award is accepted by the Board, each department should submit a request for augmenting the appropriate revenue and expenditure budgets in the amount of the grant.
2. After approval by the Board (award and budget augment) and receipt of the award letter and Grant Information Form, Finance staff will process the budget augment and establish a project account.

**IV. TOWN BUDGET TRANSFERS AND AUGMENTS:**

9. The above policy guidelines apply to the Towns of Gardnerville, Genoa and Minden with the following exceptions:
  1. Budget Transfers will be approved by the Town's Board, then submitted to Finance.
  2. Budget Augmentations will be:
    - Approved by the Town's Board, then submitted to Finance.
    - The Finance Department will submit the augmentation to the Board of County Commissioners for approval, and process accordingly.

**IV. RESPONSIBILITY FOR POLICY REVIEW**

The Comptroller's Office will be responsible for reviewing and updating the policy at least every five years.