

ROLES AND RESPONSIBILITIES OF COUNTY OFFICIALS



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BUDGETING BASICS

- The budget is a document that sets county priorities through the allocation of county funds.
- Elected officials and department heads all have important roles in developing the county budget.



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WHOSE BUDGET IS IT?



- The budgeting and financial process of the county involves every elected and appointed county official.
- The county auditor and the board of county commissioners are generally the most directly involved in the county budget process.



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ELECTED OFFICIALS, WHO IS RESPONSIBLE?

- Commissioners
- Clerk/Auditor
- Assessor
- Treasurer
- Coroner
- Prosecuting Attorney
- Sheriff



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APPOINTED OFFICIALS, WHO IS RESPONSIBLE?

- Planning & Zoning
- Road & Bridge
- Noxious Weeds
- Parks
- Computer Services/IT
- Probation/Public Defender/Detention
- County Agent
- Emergency Services
- Custodial/Maintenance
- Enterprise Fund Supported Services
- Etc.



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WHAT ABOUT INTERGOVERNMENTAL & NONPROFIT PARTNERS

- District Court
- Health Districts
- Community Colleges
- MPO's
- Regional Transit Authority
- Shared Jurisdiction (cities, highway districts, state)
- Social service partners (hospital districts, community crisis centers, substance abuse treatment, homeless/transitional housing, etc.)



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COUNTY CLERK (AUDITOR)

- Chief Budget Officer (Section 31-1602, Idaho Code)
- Provides budget forms to county offices and departments to collect:
 - Detailed revenues and expenditures from previous two years,
 - Amounts received and expended in the current year, and
 - Estimates for the ensuing year.



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COUNTY AUDITOR IS BUDGET OFFICER

- Prepare preliminary budget for BOCC
- Oversees compliance with adopted budget
- First Monday in May – get estimates of revenue from officials
- Third Monday in May – estimates of expenditures due to Auditor
 - Departments should ask for what is needed
 - Avoid “directives” such as “no more than 3% over last year”
- List future year and prior 2 years



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TENTATIVE BUDGET PREPARATION

- Clerk/Auditor prepares a suggested budget to be submitted to BOCC by 1st Monday in August (Section 31-1603, Idaho Code).
- Budget should include the following classifications:
 - A Budget: “Salaries”
 - B Budget: “Detailed Other Expenses” or “Detailed Other Expenses and Benefits”
 - C Budget: “Capital Expenses” (not required)
 - D Budget: “Benefits” (if not included in ”B” budget)



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SUGGESTED BUDGET

- Submitted by Auditor to BOCC by first Monday in August
- BOCC develops tentative budget after considering info from Auditor
- Auditor publishes tentative appropriations by 3rd week in August
- Expenditures listed by category (2 or 3)
- BOCC conduct public hearing (after notice published in official newspaper) – Tues post M



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BOARD OF COUNTY COMMISSIONERS

- Meet with County Auditor to assist with financial planning.
- Best practice: Meet with each elected official and department head to review budget and discuss revenues and expenditures.
- Adopt tentative budget to be published by 3rd week of August (Section 31-1603, Idaho Code)
- Hold a public budget hearing before the first Tuesday following the first Monday of September (Section 31-1605, Idaho).
 - Any taxpayer may appear and be heard upon any part or parts of said tentative budget.
- Adopt the budget.



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TENTATIVE BUDGET BASICS

- Reflects setting of property tax levy rates, county fees for service, etc.
- Reflects levels of service provided by county (maintenance budget, growth budget, hold backs, etc.)
- Should support the county's future growth demands
- Once published, a tentative budget can't be increased (unless republished)



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WHAT ABOUT BOCC STAFF?

- The BOCC can hire its own staff, including:
 - Administrative support
 - Communications
 - Government affairs
 - County administrator



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BOCC STAFF

- BOCC staff are under the supervision of the BOCC.
- BOCC staff have no authority over other elected or appointed offices, but can work with in concert with staff from other offices.
- But ... the county clerk is still the auditor (chief budget officer) and clerk of the BOCC.



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OTHER ELECTED OFFICIALS & DEPARTMENT HEADS

- Provide budget requests and revenue estimate to Auditor in a timely manner.
 - Penalty of up to \$50 for noncompliance (Idaho Code Section 31-1602)
- Provide justification for budget requests.
- Attend public budget hearing to answer any questions (Idaho Code Section 31-1605).
- Work with Auditor throughout the year to keep them notified of unusual expenses or windfalls.



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PUBLICATION OF TENTATIVE BUDGET

- Once the BOCC has approved a tentative budget, the County Clerk/Auditor is required by law to publish the tentative budget in the newspaper no later than the 3rd week in August (Section 31-1604, Idaho Code).



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BUDGET IMPLEMENTATION



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BASIC RULE

The aggregate of expenditures authorized against any fund shall not exceed the estimated revenues to accrue to such fund during the ensuing fiscal year from sources other than taxation together with any balances (and) plus revenues to be derived from taxation for such ensuing fiscal year.



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THE BASICS

- Each official has a fiduciary responsibility to safeguard public money.
- Communicate throughout the year to keep elected officials, appointed officials, and the public informed.



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STEPS TO IMPLEMENT BUDGET

- Fix levies to raise authorized revenue - subject to statutory limits
- So then it's over - right? Not really.
- You can adjust budget during fiscal year to reflect receipt of unscheduled revenue, grants or donations but you follow budget procedure prior to doing so.
- General Reserve Appropriation - 5% of current expense fund - not designated - requires unanimous vote of BOCC (Section 31-1605, Idaho Code).



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YEAR-TO-YEAR

- Appropriations expire at end of year, except designated incomplete improvements.
- Claims may be paid until first Monday in November.
- Incomplete improvements in progress of construction can be carried forward and shown in subsequent budget.
- Quarterly reports are required.



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SOME REALITIES

- Budgets are not-to-exceed estimates.
- County budgets often face obligations that are outside of county control.
- Changes that increase appropriations need to follow the budget adoption process.
- You can not increase property taxes during a tax year.
- Cooperation among all elected officials is essential.



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EMERGENCY EXPENDITURES

- More likely for counties because counties perform duties, often driven by actions of others
- Adopt resolution by unanimous vote to meet emergency need
- May spend all funds in treasury to meet emergency
- If exhaust funds, may borrow to meet needs



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CLAIMS AGAINST THE COUNTY

- BOCC to examine, settle, and allow legal claims against the county (Section 31-809, Idaho Code).
- Claims must be accompanied by receipt (Section 31-1501, Idaho Code).
- BOCC approves checklist of allowed bills/claims (Section 31-1502, Idaho Code).
- Treasurer to only issue warrants for allowed bills/claims (insert code reference).



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CLAIMS (CONT'D)

- Draw warrants against the county (31-3201)
- Settle all accounts/debts of county (31-2303)
- Auditor to keep all accounts current with treasurer (31-2304)
- Warrants to be signed by clerk/auditor and treasurer (31-1511)
- Warrants paid in order of presentation to the treasurer (31-1511)



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LIMITATION ON SPENDING

- Each and every county official or employee shall be limited in making expenditures or the incurring of liabilities to the respective amounts of such appropriations (Section 31-1606, Idaho Code).



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FINANCIAL ACCOUNTABILITY



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GOVERNMENT ACCOUNTING: GASB

- What is GASB?
 - Government Accounting Standards Board establishes accounting reporting standards at the state and local level (Section 31-1509, Idaho Code).
 - GASB's purpose is to assist governing bodies to evaluate their operation and provide the public with easier to read reports due to the standardization of reporting.
 - Each department must keep track of all assets/inventory according to the county policy.



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ANNUAL AUDITS

- The county must have an audit performed by outside auditors (Section 67-450B, Idaho Code).
- Other audits by outside entities:
 - Waterways/Snowmobile
 - Grants
 - PERSI
 - Worker's Compensation



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LSO FINANCIAL REPORTING

- Local government must annually report certain financial information to the Office of Legislative Services, including:
 - Annual audit report,
 - Administrative information,
 - Financial information, and
 - Information on bonds and other indebtedness.
- Failure to do so will result in the inability to increase property tax budgets and a loss of sales tax revenue sharing until the local government complies.
- Section 67-450E, Idaho Code.



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ROAD AND STREET REPORT

- Must be submitted annually by December 31st.
- Account for annual payments, expenditures, and unused funds.
- Failure to report will result in loss of quarterly H.D.A. payments.
- Failure to report may lead to a misdemeanor with up to a \$500 fine.



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OTHER POTENTIAL REPORTS

- Court Financing Report
- Census Reports
- Grant Specific Reports
- Payroll Reports: quarterly, annual W-2, 1099, etc.



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TREASURER REPORTS

- County treasurer to make a detailed report at every regular meeting of the BOCC (Section 31-2113, Idaho Code).
- Penalty for failure to report: \$500 (Section 31-2114, Idaho Code).
- Report should include:
 - All moneys received by the treasurer,
 - All debts due to and from the county, and
 - All proceedings of the treasurer.



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SETTLEMENT OF ACCOUNTS

- Treasurer to settle accounts relating to collection, care, and disbursement of public revenue with the county auditor on the first Monday each month.
- Accounts must be annually settled with the auditor on the first Tuesday after the first Monday of October.
- Penalty for failure to comply: \$500 (Section 31-2114, Idaho Code).



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QUARTERLY FINANCIAL REPORTS

- County clerk to submit quarterly financial statements to BOCC (Section 31-1611, Idaho Code).
- Statements should include:
 - Expenditures and liabilities of each appropriation,
 - Unexpended and unencumbered balances of each appropriation,
 - Revenues from all sources, and
 - Possible deficits or excessive expenditures.



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CHECKS AND BALANCES

- Role of the Board of County Commissioners
 - 31-809: Examine and audit accounts
 - 31-1701: Full and complete external audit
 - 31-810: Examine and settle allowable claims
- Role of the County Clerk/Auditor
 - 31-1602: Ensure budget compliance
 - 31-1611: Quarterly financial statements to BOCC
 - 31-1511: Jointly issue and sign warrants with the clerk/auditor
 - 31-2304: Keep accounts current with the county treasurer
- Role of the County Treasurer
 - 31-2113: Detailed report to BOCC
 - 31-2112: Monthly/annual settlement of accounts
 - 31-1511: Jointly issue and sign warrants with the clerk/auditor



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FRAUD RISKS

- Credit card use – monitor use and identify misuse of public funds (Section 18-5701, Idaho Code).
- Borrowing lunch money from a cash drawer.
- Easy/unsupervised access to petty cash.
- Pocketing cash as it comes in.
- Accounts payable – watch for fake invoices or companies, double billing, etc.



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FRAUD PREVENTION

- Make sure to comply with annual outside audit and other financial reporting requirements.
- Follow recommendations of outside auditor.
- Develop, adopt, and update county policies to prevent fraud (credit card policy, travel policy, county vehicle use policy, establish internal financial controls, etc.).



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MISCELLANEOUS BUDGETING TOPICS



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SALE OF COUNTY PROPERTY

- Tax deed sales require specific due process by tax collector (Sections 31-808, 63-1005, and 63-1006, Idaho Code).
- Surplus property (not exceeding \$250) may be sold without notice to the public. Otherwise, public notice must be given in the newspaper and a public auction must be held. Auctions can be held on the internet.
- BOCC can transfer to another taxing district or a nonprofit if declared in the public interest.



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BIDDING AND PROCUREMENT BASICS

- Senate Bill 1074 (2017) increased minimum bid thresholds.
- No bidding is required for purchases of personal property or construction and repairs that are less than \$50,000.
- Special bidding and procurement procedures are in place for all other purchases or public works construction/repairs.
- Counties can “piggyback” off of bids from other Idaho and local government procurements.
- Counties may use a recently established RFP process in lieu of competitive bidding (see Section 67-2806A, Idaho Code).



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YOU MADE IT! THANK YOU!



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