



Monterey County

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Board Report

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Adopt a Resolution to:

Authorize the Auditor-Controller to amend the Fiscal Year (FY) 2016-17 Adopted Budget for the Information Technology Department (Fund 001, Appropriation Unit INF002) to increase appropriations by \$1,669,000, where the financing source is General Fund unassigned fund balance (BSA#3101) (4/5th vote required).

RECOMMENDATION:

It is recommended that the Board of Supervisors adopt a Resolution to authorize the Auditor-Controller to amend the FY 2016-17 Adopted Budget for the Information Technology Department (Fund 001, Appropriation Unit INF002) to increase appropriations by \$1,669,000, where the financing source is General Fund unassigned fund balance (BSA#3101) (4/5th vote required).

SUMMARY:

This report recommends revising Information Technology Department (ITD) appropriations to reflect revised Countywide Cost Allocation Plan (COWCAP) charges. The adjustment is necessary for the Auditor-Controller's Office (ACO) to complete year-end accounting.

DISCUSSION:

Departments built their FY 2016-17 budgets based on prior year COWCAP charges and credits, as updated amounts had not yet been published at that time by the ACO. In December 2016 (five months after budget adoption), the ACO updated the COWCAP and there were in some cases significant variances from budgeted amounts. For ITD, the revised COWCAP increased from a net credit of \$2,497,473 to a net charge of \$168,380. As part of the County's financial forecast in March 2017, the County Administrative Office recommended budget modifications for departments whose operations could be negatively impacted by the revised charges. No modifications were recommended for ITD as the net charge of \$168,380 appeared manageable within the organization's overall budget.

The ITD had sufficient appropriations to complete its work for the year. However, funds needed to be returned to customer departments to the extent these funds went unused. Without the increase in appropriations to reflect the revised COWCAP charges, the ACO determined that ITD lacked the administrative mechanism to return unused funds to customer departments. With these amounts still due to departments, the ACO requested a report officially increasing ITD appropriations so that it can complete its year-end close for the prior fiscal year.

OTHER AGENCY INVOLVEMENT:

This report is a cooperative effort between the ACO, ITD, and County Administrative Office.

FINANCING:

An increase in appropriations of \$1,669,000 is needed so that ITD can return funding to customer departments. The increase will be sourced from year-end fund balance. As the fiscal year has already been closed for new expenditures, the recommendation will not affect the bottom-line finances of the general fund. The use of fund balance will be offset by improvements in customer departments' year-end financial performance.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The recommendation is a necessary technical accounting transaction to allow the ACO to complete year-end closing of the County's financial records.

Mark a check to the related Board of Supervisors Strategic Initiatives

- Economic Development
- Administration
- Health & Human Services
- Infrastructure
- Public Safety

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Attachment: Resolution