



Auditor

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April 24, 2017

Board of County Commissioners
Cass County Government
211 9th Street South
Fargo ND 58103

Re: 2018 Budget Calendar

Dear Commissioners:

We normally set a budget calendar every year before the budget season, and this year is no exception. I have adjusted the timeline from earlier years to begin the budget process two weeks earlier. The purpose is to receive a preliminary budget in plenty of time for the Auditor's Office to send an estimated tax statement out in August. The preliminary budget is set for approval at the second meeting in August so we can prepare and mail statements by the end of August. I am also going to request that other major political subdivisions submit their budgets to the county by mid-August to have more accurate levy figures for an estimated tax statement.

Next year, we will have to move the dates back another two weeks to meet the new requirement of approving the preliminary budget by August 10th. That date may be hard to accomplish this year because the county is projected to get our Social Service figures from the state by August 15th. Next year, we should receive those figures by the end of July.

This is the last year the county will have to use a "zero number of mills calculation" as part of the budget process. The new requirements will include sending an estimated tax statement on all properties in which the tax is \$100 or more with notices of budget hearing for each entity included on the statement.

Sincerely,

Michael Montplaisir
Cass County Auditor

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SUGGESTED MOTION:

Move to establish the 2018 budget calendar.

2018 Budget Manual



**PREPARED BY:
THE CASS COUNTY AUDITOR'S
OFFICE**

RESOLUTION ON BUDGET POLICY

WHEREAS, the Cass County Commission adopted the following mission statement for Cass County Government on January 28, 1991:

The mission of the Cass County Board of Commissioners:

- (1) To develop, approve and administer yearly budgets and set appropriate mill levies within statutory constraints.
- (2) To determine county policy and strategic planning decisions in conjunction with county functional directors to assure that county services mandated by statute, or determined by policy, are provided equitably to the citizens of Cass County.
- (3) To assure that property tax assessment and collection is accomplished as dictated by statute, and determined by service level in serving the citizens of Cass County.

In addition, the Commission shall manage and maintain all county property, purchase and dispose of such property and supervise the electoral process for the citizens of Cass County.

WHEREAS, in order to properly carry out the mission policy adopted by the Commission, we need to establish goals and strategies that we as a Commission will strive to follow this year and in future years concerning the county budget.

THEREFORE, BE IT RESOLVED, that the goal of the County Commission is to maintain the financial stability of Cass County Government, while at the same time providing the services mandated by its constituents and mandates by State and Federal governments. Some of the strategies of the Commission in meeting this goal are as follows:

- (1) The Commission will budget in a manner that maintains cash reserves equal to 7%-10% of expected expenditures for each fund.
- (2) The Commission will seek, and will encourage all departments to seek, alternative funding sources for those programs that may be eligible for outside funding.

Budget items, particularly capital projects and salaries, must be detailed in each department's annual budget request, and if departments see a need to deviate from the original request, they will inform the County Commission prior to any expenditure.

BUDGET CALENDAR

- May 15, 2017** **The Auditor's office will send** budget letters and documents to county departments. Budget letters and documents will also be sent to outside agencies. If needed, the Auditor's Office will hold training sessions in June on the HTE Budgeting System.
- July 15, 2017** Budget requests and work plans from each department are due in the Auditor's Office. Departments should review their budgets and work plans with their portfolio commissioner prior to submitting them to the Auditor's Office. The Department Request Budget will be closed and copied to the Commission Preliminary Budget.
- July 15, 2017** A one-page summary detailing revenues and expenditures and an explanation of major changes from last year's budget is due from Department Heads.
- August 11, 2017** The County Commission will review the budgets with department heads and outside agencies.
- August 21, 2017** The Commission approves the preliminary budget. The preliminary budget must be summarized by the Auditor and published in **The Forum** at least two weeks before the Commission holds a public hearing on the final budget. If the preliminary budget is approved at an amount exceeding the zero increase number of mills, notices will need to be mailed to each property owner who received a notice of an assessment increase.
- Sept. 18, 2017** Formal Hearing on the preliminary budget. Hearing cannot begin earlier than 6:00 p.m. if the budget is approved at an amount exceeding the zero increase number of mills.
- October 1, 2017** The Commission must approve the tax levy to support the budget no later than October 1, 2017 (per home rule charter).

May						
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21	22	23	24	25	26	27
28	29	30	31			

June						
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July						
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August						
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September						
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BUDGET PRESENTATION

Before you start preparing your budget, take some time to consider how you wish to present your budget to the County Commission. The basic revenues and expenditures are provided within the H.T.E. system, and you can put a lot of narrative within the accounting system to explain different line items. However, a one page summary of your revenues and expenditures would be helpful and some narrative giving a brief description of your mission and programs would help the County Commissioners (and ultimately your department) understand your budget. Remember, while you fully understand your department, the Commissioners get only a glimpse of each department's operations during the year and then are expected to know and understand your operations while reviewing and approving the budget.

During your budget presentation, use the one page summary to highlight the changes in your budget from previous years. If you wish to use Power Point or some other screen display, e-mail it to Michael Montplaisir and we can project it on the screen in the Commission Room. Specifically point out new or unusual capital items and new or reclassified employees. Avoid going over your budget line item by line item - the Commissioners will have the detail of your revenues and expenditures and any supporting documentation you send to the County Auditor's Office. They may ask questions about individual line items that may interest them so be prepared or bring staff with you who are knowledgeable about your budget.

BUDGET ORGANIZATION

FUNDS

The County's budget is organized based on fund and department. The funds maintained are those required by separate levies or by requirements to segregate funds, i.e. grant obligations.

A **fund** constitutes a complete set of bookkeeping records. A fund has its own cash balance, revenues and expenditures. As a result of Home Rule, the county has reduced the number of **funds** used. A list of the General Fund and Special Revenue Funds currently budgeted is as follows:

General Fund	Jail Commissary
Human Services	Hazardous/Plan Response
Road & Bridge	Valley Water Rescue
Parenting Workshop	NDRIN
Sheriff Asset Forfeiture	Document Preservation
Senior Citizens	24/7 Sobriety Program
St. Atty Asset Forfeiture	JAIBG Fund
911 Fund	Emergency/Flood Mitigation Fund
Noxious Weed Control	Swat Vehicle Replacement
Vector Control	County Park

The Auditor also budgets for debt service funds.

DEPARTMENTS

The county tries to utilize the least number of funds necessary to operate, and yet provide useful and accurate information. Each fund is organized around departments and/or cost centers. To simplify budgeting and accounting, funding for many county departments is in the General Fund. The Social Services Fund contains the various cost centers for the Social Service Department. The County Road Fund is a single department fund.

The account code system is designed to accommodate the budgeting and financial reporting. The following is an expenditure account number in the General Ledger and what each element of that number represents.

101-2101-411.1002:

101	General Fund – Fund Number
21	Auditor – Department Number
01	Operations – Division Number
411	Administration - Activity/Sub Activity
10	Salary – Element
05	Full Time - Object

ACCOUNTING POLICIES

Before completing the department's budget, carefully review the following information regarding revenues and expenditures.

GROSS DOLLAR BUDGETING

Gross dollar budgeting is utilized in the budget process. This means that the total cost of programs to be paid through the county system must be budgeted. In the case of grants or other reimbursement mechanisms, **the total dollars to be spent must be included in the budget not just the county's share.** Also, a revenue budget must be prepared for grant monies or reimbursements.

GRANTS AND/OR PROJECTS NUMBERS

The general ledger system has the ability to record a grant and/or project number on all revenue and expenditure transactions. This feature allows a summary report of all transactions for a particular grant and/or project to print.

ALL GRANT FUNDS MUST BE BUDGETED WITHIN YOUR DEPARTMENTAL BUDGET!

During the year, if a department requests, and receives, a grant that was not included in the budget, a budget request must be submitted to the Commission for approval. All General, Special Revenue, and Debt Service Funds must have appropriations approved by the Commission. The Commission must approve an appropriation even if all the funds for a program are grant funds or other outside sources.

ACCRUAL ACCOUNTING

The County is required to report all revenues and expenditures on an accrual basis of accounting. Revenues must be recorded when earned, expenditures when the fund incurs the liability. This causes some misunderstanding at the end of the budget year. For example, if a department orders, and receives, an item prior to year-end, the item must be **accounted for in the current year.** However, if the item is ordered, but not received until the following year, **it will be an expenditure of the subsequent year.** The timing of the bill is not a major concern in recording an accrual. Again, **when to record the expenditure is dictated by when the liability is incurred.**

BUDGET POLICIES

COSTS INCLUDED IN THE BUDGET

All departmental expenditures should be included in the budget, including expenditures covered by grants.

SALARIES

Department heads will receive worksheets from the Auditor's Office containing all salary and benefit amounts for the current year (projection) and the following budget year. **These worksheets must be reviewed for accuracy.**

Budgeting for newly created positions is discussed on Page 8. Increasing a current employee's FTE is considered a 'newly created position'.

Adjustments for reclassification requests that have been submitted to the Personnel Department and approved by the Personnel Overview Committee will be made before the budget is finalized.

COMPLETING BUDGET WORKSHEETS

Every department has been trained on how to access the budget menu and the correct process to complete the budget. Budget worksheets can be accessed through the GMBA Main Menu: If you need a little refresher, please call the Auditor's office. In most cases help can be arranged right over the phone.

- Option #9-Budgeting Menu
- Option #4-Budget Estimate Entry

Complete the budget worksheets as soon as possible. These worksheets contain all the accounts the department presently uses. In some cases, you may not use all the accounts listed on the budget worksheet. However, if you need additional accounts call or visit the Auditor's Office.

2016 BUDGET PREPARATION

There are several budget levels, with appropriate worksheets, that need to be completed. Some departments will need to complete both revenue and expenditure worksheets, others just expenditure worksheets. The Budget Levels are:

10 - Projection

This is the projection of your 2016 revenues and expenditures. This level must be completed by August 1, 2016. Project department expenditures through the end of 2016 in the budget worksheet titled **PROJECTION**. **This worksheet is extremely important and must be completed as accurately as possible.** The Auditor's Office use these projections to estimate the fund balances for the end of the year and, since this affects the amount of tax levy the county needs to fund the new budget, try to be as accurate as possible in projecting the year-end balances.

20 - Division Request

This level is provided for those departments that want division supervisors to complete a budget.

30 - Department Request

This level is the departmental budget request and must be completed by August 1, 2016.

Complete the appropriate 2017 Budget in the budget worksheet titled Department Request. Please complete all necessary line items, except the payroll and benefits sections. Payroll and benefit items will be completed by the Auditor's Office and then 'rolled' into the General Ledger when complete.

You can enter just text or text and dollar amounts. (Text **and** dollar amounts are highly recommended.) To enter just a dollar amount, enter the number on the line where indicated and press enter. To enter text and dollar amounts, press F8 - Misc. Info entry. Enter the text in the large, wider left column and dollar amounts in the smaller right column. When you have

everything entered press <F7> - Update and the computer will total your amounts and transfer them to the previous screen.

Payroll and Benefits: You will receive a printout of salaries, benefits, etc. for your review before the budgeted payroll is rolled to the general ledger. The payroll budget will assume your staff will not change in 2017 and will calculate amounts for salaries and benefits. The payroll budget **will not** calculate amounts for Overtime, Employment Agencies, On-Call, Special Events or Intern pay. If your department uses any of these pay types, please call, e-mail or visit with the Auditor's Office so these amounts can be entered into the payroll budget. **Do not enter these amounts yourself.** If you enter information on these line items, the correct benefits will not calculate. Also, the information you enter may be written over or erased when the payroll budget is rolled to the general ledger. This information **must** be entered through the payroll budgeting system to ensure correct Social Security, Medicare, and other amounts. **Call the Auditor's Office for instructions.**

REVENUE AND EXPENDITURE REPORTS

OBTAINING ACCOUNT HISTORIES

While completing your budget you may find it necessary to review revenues and expenditures for the current and prior years. The inquiry procedures in the HTE system should be familiar by now, and all information about revenues and expenditures from 1996 to the present date can be found through the inquiry menu. Printouts can also be provided. Call and request the data on an as needed basis. If information is needed for years prior to 1996, call the Auditor's Office and we will try to get the information you need.

To access the on-line inquiry, sign on to the GMBA and choose option 1 - Inquiry Menu. This brings up a menu of items that you can inquire on. Option #1 - Account Balance, allows you to look at information about a particular line item. If you want to inquire on a specific account number, type the account number you need to view and press <enter>, then select the account and <enter>. This summary screen will list the account number and description of account, the original budget, revised budget (if applicable), and the current and year- to-date expenditures and encumbrances. Function key (F10) allows you to view the detail transactions in the account. On-line information is available for 1996 through 2016 expenditures and revenues. The system is set up to default to the current year. To view earlier data, change the fiscal year in the upper left hand corner of the Account Balance screen <enter>.

If you need any help with the on-line inquiry, call Mike (5627), Mary (5610), Alicia (5606), or Sarah (5602) in the Auditor's Office and they will help you get the information you need.

INFORMATION TECHNOLOGY EQUIPMENT AND SOFTWARE

COMPUTER SOFTWARE AND EQUIPMENT LINE ITEMS

The IT department will make recommendations to each department for IT related equipment and software that should be budgeted for replacement or upgrades in 2017. Any other computer hardware, computer software or network equipment must be reviewed by the IT Department prior to requesting it on the budget to ensure it meets established standards and compatibility with existing equipment and software.

The IT Director will meet with each department head to discuss projected IT expenditures for the 2017 budget year. During the meeting you should also discuss with the IT Director any plans for implementing any new office procedures, planned projects, new employees that may have an impact on the IT network and server resources:

Some examples may be:

- Purchase of a new or replacement copier
- Adding new employees to an area that is not already wired for network access

- New or continued projects to implement scanning or storage of electronic documents or pictures.
- Expecting a significant increase in other electronic document storage
- New or increased use of video conferencing equipment
- Computer training for employees

MICROSOFT ENTERPRISE LICENSING CONTRACT

Costs associated with the license renewal will be discussed during budget meetings with the IT Director.

The Commission prefers to see a summary of all IT expenditures County-Wide for a given budget year. To be consistent of how the line items are displayed in the budget, the Auditor's office would prefer the IT Director enter all computer and software budget requests. **Do not enter these line item amounts yourself.**

MONTHLY TELEPHONE RATES

Per Phone Charge \$22.50
 Standalone fax line \$ 5.00
 Long Distance Rates: \$.018 to \$.045
 Directory Assistance \$.59

COMPUTER, FAX AND LASER PRINTER SUPPLIES

All consumable supplies for printers and fax machines have been charged to each department's office supplies line items. Review current usage and expenditures when budgeting for this line.

NEW EMPLOYEES

COMPUTER/SOFTWARE EXPENSES FOR NEW EMPLOYEES

New computers added to your department either because of new employees or additional capacity are required to have software licenses in accordance with our licensing agreement. Examples listed below:

- **Computer Desktop/Laptop**
- **Monitors**
- **Docking Stations**
- **Core Software Licensing**
- **Microsoft Office Licenses**
- **Other Software Licensing**
- **Desk Phone**
- **Cell Phone**

Discuss with the IT Director for more information

EXCEEDING THE APPROVED BUDGET

Although the Auditor's Office does monitor budgets throughout the year, it is the responsibility of the department head to monitor that department's budget on a daily or monthly basis. Departments are allowed to exceed budget line items, as long as there are sufficient budgetary dollars to offset the overage in other line items. In allowing this, we follow a general rule, off-setting line items must be in the same budget area, such as a salary line item might offset other salary line items, or a variable expense might offset other variable line expenses. A salary line item may **not** offset postage or other non-payroll line items. Capital expenditure changes must receive Commission approval prior to purchasing. The Commission approves the budget for capital expenditures on specific items and the funds must be used for those items unless the

Commission approves changes. **Any time a department head believes his/her department will exceed the budget, the Commission must be notified.**

BUDGETING FOR NEW POSITIONS

All expenses for new positions - salaries, benefits, other expenses (phone, software) and capital outlay (desk, computer, etc.), should be budgeted in the **New Employee** line item. This line item should be the last account number in each cost center and will end with **91-11**.

SALARY

When budgeting for new positions, check with the Personnel Department for the correct DBM rating for the requested position. The position must be budgeted at the minimum salary for the DBM rating. If a DBM rating does not exist, complete the necessary forms to assign the rating, as described in the Personnel Policy Manual, Section 7.00. **Contact the Auditor's office to get the correct salary and benefits expense.**

SOFTWARE EXPENSES FOR NEW EMPLOYEES

New computers added to your department either because of new employees or additional capacity are required to have software licenses in accordance with our licensing agreement. Examples listed below:

Discuss with the IT Director for more information.

OTHER EXPENDITURES

In addition to budgeting for salary and expenditures directly related to the new position must be itemized in the budget. See below for examples. Discuss with the IT Director new employees or positions to determine the need for computer equipment and software, telephone equipment and expenses, and availability of electrical, network data or telephone cabling and connections.

EXAMPLE Auditor's Office - New Position Budget

A12 – Clerk			
Salary (all entry level for 12 months)		\$29,142	
Benefits:			
	Social Security (6.2%)	1,807	
	Medicare (1.45%)	422	
	Health (family policy)	16,884	
	Dental Insurance (Single)	480	
	Retirement (12.26%)	3,572	
	Total Salary & Benefits	52,307	\$52,307
Other Expenses:			
	Telephone - 12 months @ 22.50/month	270	
	Computer Software – Microsoft Office	300	
	Total Other Expenses	570	570
Capital Outlay:			
	Computer and Monitor	1,200	
	Desk	1,000	
	Chair	450	
	Total Capital Outlay	2,650	2,650
	Grand Total	55,527	\$55,527
Total in line item 91-11			\$55,527

NOTE: The items listed above are not meant to be an all-inclusive list of expenditures related to a position, but should be used as a guideline for budgeting.

All of the above information should be entered on-line in the miscellaneous info entry (F8). The Commission will then be able to inquire on, and get a printed report of the detail for each line item. Also, when the budget is 'rolled' into the General Ledger, the miscellaneous information is available for you to review when inquiring on a specific line item. You can see exactly what you budgeted for in this line item. The more detailed information you enter, the better you will be able to control your budget.

PROGRAM BUDGET INFORMATION

WORK PLANS

Work plans for the new budget year are due with the budget. (This form is available on the intranet.)

Program budgeting, goals and objectives

Capital improvement planning and manpower forecasting are important in Cass County Government. An emphasis has been placed on establishing strategic plans and department goals and objectives during the budgetary process so that appropriate funding can be defined. Work plans help to facilitate and implement the county's mission, and to progress forward in an orderly fashion with department goals and objectives. Proper completion of the work plan will assist a department in itemizing appropriate expenditures.

BUDGET MANPOWER

Because of the increasing demands on county government, it is necessary to include a manpower forecast, which will assist the Commission in necessary space planning. The manpower process was approved by the Commission in September, 1991. (This form is available in an Excel file format on the intranet)

County department heads shall complete a manpower forecast and attach it to the annual budget to establish a five-year manpower forecast and improve county government planning. For small departments, the process is generally quite simple, since relatively little turnover occurs. For any anticipated changes, use the narrative section to explain changes for each year.

CAPITAL OUTLAY

Please give a brief description of the project and a projection of the total cost. These narratives will assist the Commission in prioritizing expenditures.

SUMMARY

These forms are provided to each department to assist in the collection of necessary information for the Commission's budgetary process. In addition, this data can assist department managers on a monthly and annual basis by establishing historical information and identifying quantifiable and meaningful program measures.